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ABSTRACT

The state of the vocational education and training (VET) system in Bosnia and Herzegovina was reviewed to identify needed changes in policy and practice. The analysis focused on the following topics: (1) existing socioeconomic conditions; (2) existing labor market policies and employment patterns, unemployment, and employability; (3) modernization of VET as lifelong learning; (4) management training; (5) VET teachers, trainers, managers, and administrators; (6) research on VET; (7) international cooperation in modernizing training; and (8) the role of the National Observatory. The analysis resulted in 23 recommendations for improving the secondary VET system and 21 recommendations for increasing employability in the labor market. Selected VET-related recommendations were as follows: (1) involve employers in creating and implementing VET reform; (2) improve links between strategic and practical implementation in schools and other training centers; (3) increase the circle of relevant partners by including the labor market and the institutes and universities that produce future teachers and politicians; (4) give schools more authority to enhance continuing learning; (5) provide more means of equipping employed teachers with relevant and updated skills, knowledge, and attitudes; (6) allocate sufficient means and time for evaluation and supervision in the introduction of modular curricula; and (7) use the best schools as regional centers for adult training. (MN)

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ED 478 884

Report on the vocational education and training system

NATIONAL OBSERVATORY COUNTRY REPORT

Bosnia and Herzegovina 2001

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The National Observatory of Bosnia and Herzegovina is part of a network of similar institutions in the countries of Central and Eastern Europe, the New Independent States and Mongolia

European Training Foundation

The network was established by the European Training Foundation, an agency of the European Union, which works in the field of vocational education and training in Central and Eastern Europe, the New Independent States and Mongolia, as well as the Mediterranean partner countries and territories. The content of this report is the responsibility of the author. The views expressed herein do not necessarily reflect those of the European Training Foundation.

Executive summary

The 1995 Dayton Agreement defined Bosnia and Herzegovina as a State with two political entities: the Federation of Bosnia and Herzegovina () and the Republika Srpska. The Federation is further divided into ten cantons. In 1999, a third entity was created - the self-governing administrative unit of the Brčko District.

Six years after the war, the country is still grappling with problems caused by the large number of refugees who comprise a third of the pre-war population. Their repatriation has been tardy although there was some progress in 2000. The returning refugees are confronted with many problems such as loss of basic human rights including discrimination in job opportunities and education.

At present, responsibility for education is held by the three political units. In the Federation of Bosnia and Herzegovina the education policy and its implementation have devolved to the ten cantonal Ministries of Education. The Republika Srpska has a traditional centralised structure with its Ministry of Education and pedagogical institute responsible for priorities, budgets, standards and the recruitment of teachers. Responsibility for education in the Brčko District is held by the District Government's Department for Education.

The situation is further complicated by the implementation of old and recent laws. Cantons have their own education laws which are implemented in accordance with the Federation's constitution. There are twelve laws covering secondary vocational education in the Federation, one in Republika Srpska and one separate law for the Brčko District .

Initial vocational education and training in Bosnia and Herzegovina refers to the education of 15 to 19 year old students in secondary education.

In the Federation of Bosnia and Herzegovina (henceforth referred to as the Federation) there are currently 37 types of technical and related schools where students can study 120 technical or craft professions while in the Republika Srpska there are estimated to be programmes in 14 occupational areas covering more than 100 professions.

Graduates of four-year courses in technical schools have access to higher education upon passing their maturity examination. Graduates of three-year courses will have taken a school-leaving examination.

In 2000-2001 there were 135,000 secondary vocational school students in Bosnia and Herzegovina or 80% of secondary school students in the country.

Assessment and certification are the responsibility of the respective cantons within the Federation and the Republika Srpska.

The development of vocational training in Bosnia and Herzegovina drawn up in the White Paper was a product of the Phare vocational education and training programme. It indicates the main aspects in curriculum development, teacher training, governance, financing, legislation and adult education. While the Green Paper concentrated on policy and strategy, the White Paper is on implementation. It presents a consistent set of values from the Green Paper and clear details of essential gradual development requiring action and funding. However, its priorities compete with other political, structural and most importantly resourcing needs. Republika Srpska has defined its

own education strategy which was adopted by its government in 1999. The Federation has submitted an education working document for public debate in 2001.

As the continuing education system is undergoing radical changes at a time when secondary education is changing, it would make sense to rationalise the two forms of education.

Possible continuing training providers include:

- general secondary, higher schools and universities;
- specialised schools and training and re-training centres;
- enterprises.

No specific continuing training curriculum has been developed.

Until recently the financing of continuing training education was totally dependent on enterprises which submitted requests for training and re-training assistance to the Public Employment Services previously called the Training and Employment Foundation. These enterprises also created their own curricula and there was no external check on the quality of the courses.

Two other forms of financing have since been developed. The first involves World Bank credits for the training of demobilised soldiers, war invalids, and family members of deceased soldiers, and active policy measures for the unemployed.

The second form of financing comes from general taxation. The education system is funded from general taxation collected in the cantons of the Federation and the Republika Srpska. There is no top-up from the State budget. Budget expenditure for education in the whole country was 9.8% in 2000.

In general, expenditure on education in the Federation is much higher than in the Republika Srpska.

Schools may also raise funds in the following ways:

- from donations,
- from legacies, gifts, foundations,
- by selling school products and services,
- by selling intellectual services,
- by selling material goods.

In the Federation, overall responsibility for education lies with the cantonal Ministries of Education. The Federal Ministry of Education, Science, Culture and Sport only co-ordinates their work. Actual needs are raised by economic and vocational organisations (e.g. pedagogical institutes), schools and teachers. These identified needs give some idea of student registration numbers in Bosnia and Herzegovina.

Responsibility for the development of education and education policy in the Republika Srpska is held by the Ministry of Education and this includes the Republic Pedagogical Institute. The local community is responsible for the development and basic financial support of secondary education.

Training in private companies is the responsibility of employers.

Country priorities

Feasible recommendations drawn from the evaluation of the Phare Vocational Education and Training programme for the modernisation of secondary vocational education and training are as follows:

- increase foreign assistance in the form of equipment and methodological support to consolidate the progress achieved;
- stimulate and implement co-ordinated donor co-operation in vocational education;
- employers involve in the creation and implementation of vocational education and training reforms at strategic and operational levels;
- co-ordinate practical activities in schools and other training ;
- ensure adequate employee training in relevant state institutions so that they are informed about principles and operational implications of reforms;
- increase the dissemination of the achievements of Vocational Education and Training programmes among relevant partners at a greater level than at present;
- cultivate support from a broader range of social partners including the market, pedagogical academies and universities where future teachers and politicians will be educated;
- give a greater role to the citizens of Bosnia and Herzegovina to help them assume full responsibility in a reformed environment with decreasing dependence on foreign experts.

Introduction

The European Training Foundation - an agency of the European Union - is one of the international organisations in Bosnia and Herzegovina assisting the reform of vocational education, training and the labour market. In December 1999, the European Training Foundation with the support of the local authorities, established the Observatory. Its main task was to collect and analyse data on vocational education and training and labour market conditions, the education and training of young people and adults, educational qualifications and certification, trends in the labour market and the role and involvement of social partners in forthcoming reforms.

This report is one of the principal outputs of the Observatory in 2001. It examines specific issues, details the recent changes in vocational education and training and labour market developments in the country, outlines progress and achievements, indicates obstacles and considers solutions, gives data for comparative cross-country analysis, and provides information for authorities and social partners.

The suggestions of many experts have been included in this document to help define the role of social partners in the forthcoming reforms and to select vocational training reform priorities which would enhance stable economic development.

The authors have followed the European Training Foundation's conceptual framework and hope that this report will be useful to all parties involved in education and will contribute to the reform of the education system in the country.

Bosnia and Herzegovina Observatory

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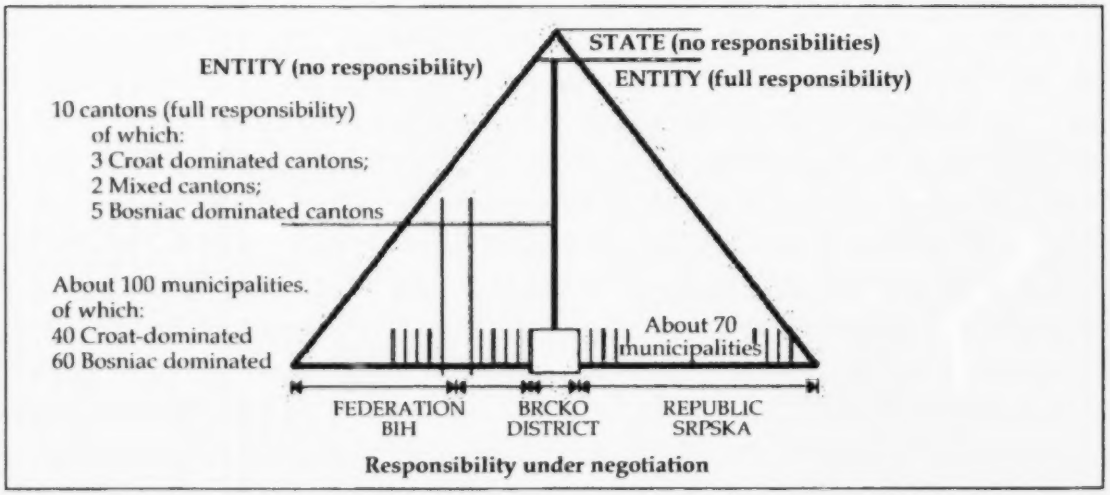
1. Socio-economic background

Stable economic development in Bosnia and Herzegovina should be based on poverty reduction and creating the conditions for the prosperity of the population. As it is a small and open country competitive economies should use their resources to increase economic growth, in tandem with the business environment. The latter should not be perceived from the particular view of a single country, but from a view of globalisation. A country's ability to adapt to new market conditions is reflected in its standard of living indicated by economic growth and its ability to integrate at regional and European level. The previous report of the Bosnia and Herzegovina Observatory covered the post-war period (1950 to the late 1980s). This report is on the the present situation.

1.1 *Politico-administrative environment*

Two political entities - the Federation of Bosnia and Herzegovina and the Republika Srpska - were created by the Dayton Agreement. The Federation is divided into ten cantons as administrative units. Five of these are politically dominated by Bosniacs, three by the Croats and two are "mixed". Thus, there are three ethnic entities. Municipalities, the lowest level of the administrative units, form the constituent parts of cantons. The Republika Srpska is divided into municipalities only. By special arbitration, a third political entity formed from parts of the city of Brčko has its own self-governing unit under the sovereignty of the Federation. It thus has its own laws on education and employment. The politico-administrative structure of the country is shown in figure 1.

Fig. 1. Politico-administrative structure of the country and responsibility for education



The political nature of the State and its responsibilities can be drawn from the basic elements of the Constitution in the Dayton Agreement.

The country has a parliament comprising the House of Nations and the House of Representatives, a three-member Presidency and a Council of Ministers. Its State jurisdiction covers foreign, economic (trade and customs), and fiscal policy as well as immigration and refugee issues and air traffic control.

The Federation and the Republika Srpska are responsible for defence, domestic affairs, judiciary, finances (budget, tax administration, customs collection), energy and industry, trade, agriculture, education, social policy, health care, culture, refugees, exiles, urbanisation, natural resources and environment. The central institutions are financed from the budget adopted by Parliament and budget means are provided by the two main political entities (two-thirds from the Federation and one-third from Republika Srpska).

The Central Bank is the only institution authorised to regulate the supply of money in circulation by issuing currency and other aspects of monetary policy, although in the first six years it could not issue currency. The Bank's president is nominated by the International Monetary Fund and the administrative board of the Central Bank. The latter consists of three other members selected on an ethnic basis. After the first six years, the administrative board should have five members. It is important to note that all laws adopted by the entities are in effect if they do not conflict with the State constitution.

The Dayton Agreement incorporated the boundaries caused by the ethnic war. It has been defined as a process for moving the country in a more democratic and multi-ethnic direction. This can be applied to education and employment. Article 1 of the Constitution states that "the sides promised to implement the greatest level of human rights and freedoms defined by international conventions (having higher priority over domestic law solutions) particularly on freedom of people, goods, services and capital movement".

1.2 *Economic development*

Post-war economic development in the country is mainly a result of international donations. As the country is still politically unstable, it cannot count on large-scale direct foreign investments. Problems relating to economic revival and its development are expanded below.

1.2.1 *Economic revival*

Measured by present value (USD), the country's gross domestic product was about USD 14 billion[1] before the war. As a small and very open country, its development was highly dependent on the surrounding republics of the former Yugoslavia and world trade. It exported three-quarters of its products - half of these to the regions of former Yugoslavia and the rest worldwide. Its exports to the former Yugoslavia were about USD 7 billion (present value) and it had lower imports, thus achieving a positive balance of foreign trade of about USD 200 million (1988 value) or USD 300 million (current value). Of this amount 65% of goods were exported to Europe, North America and elsewhere at the current value of USD 4.4 billion or USD 1 470 per capita. Currently the country exports USD 0.6 billion of products, imports USD 2.9 billion and has a high foreign trade deficit of at least USD 2.3 billion annually. Its exports are 5.7% and imports 22% of the pre-war figures.

1 The difference between this and the amount mentioned earlier in the text is due to inflation (USD real value fell by 4% in the last 1.5 years). Data presented in the text are from the same sources as for figure 2 (see footnote 7). Data on foreign trade are from the Ministry for Foreign Trade and Economic Relations: Strategy of Foreign Trade, Sarajevo, May 2000.

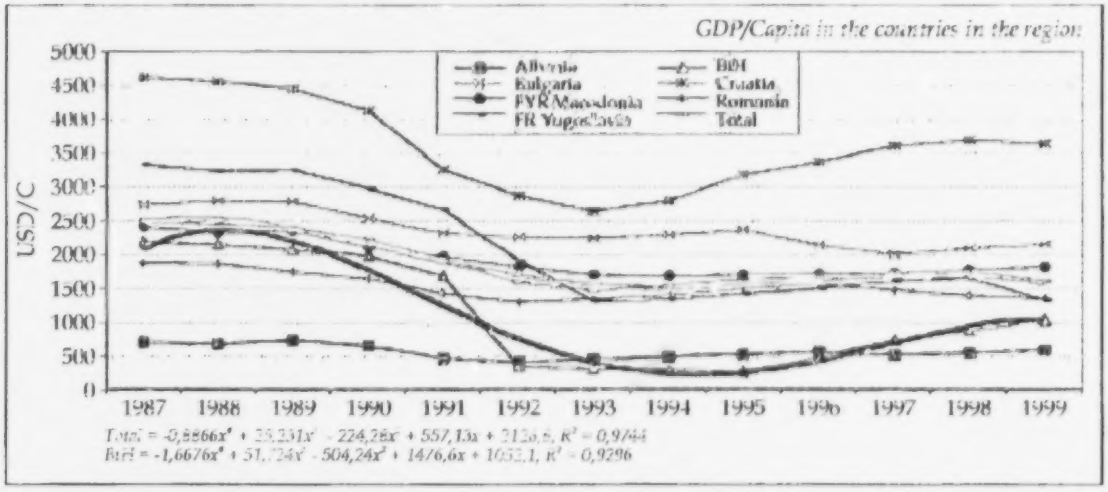
1.2.2 Donations and economic recovery

From the Dayton Agreement in 1995 to 2000, Bosnia and Herzegovina has received aid and investments of KM 5.3 billion or USD[2] 2.9 billion. Of this amount[3] 25% (KM 1.3 billion) was invested directly in agriculture, energy and credits to the economy, 35.1% (KM 1.9 billion) in infrastructure (housing, traffic, water supply), 19.5% (KM 1.0 billion) in the public sector (social insurance, education, public institutions, foreign debt servicing) and 20.4% (KM 1.1 billion) for other purposes.

Donations (humanitarian aid and reconstruction assistance) are assumed to provide an external impulse to economic development as they stimulate production, consumption and employment. The impact of this multiplier effect depends on the level of economic development and structure and the specific target of investment. This means that the multiplier is specific to a country and this applies clearly to Bosnia and Herzegovina. The results of post-war efforts are shown in figure 2.[4]

The trend of the gross domestic product per capita in all countries of the Stability Pact for South-Eastern Europe is shown for comparison. Apart from Croatia, the figure suggests that all these countries have similar problems. It can also be seen that donations to Bosnia and Herzegovina have not produced the expected result.

Fig. 2. Gross domestic product per capita of South-Eastern European countries



2 Source: United Nations Development Programme, Early Warning System, Base Line Report June 2000, Tab. 8. Sarajevo.

3 Source: United Nations Development Programme, Early Warning System, Base Line Report June 2000, Tab. 8. Sarajevo.

4 Data sources for figure 2: a) United Nations Statistical Yearbook, 42nd issue, New York 1997, Table 22; b) United Nations Demographic Yearbook 1995, New York 1997, Table 5; c) United Nations Monthly Bulletin of Statistics, Vol. LIV, No.11, Table 1,New York 2000; d) UN Economic Survey of Europe, No.3, Statistical Appendix Table B.1, New York and Geneva 2000.

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Data from the European Bank for Reconstruction and Development[5] reveal the following information on the country - the estimated gross domestic product growth is 15.0% and unemployment rate in 1999 was 40.0% with no accurate data for 2000. The country's per capita was USD 1,027 in 1999 making it one of the poorest countries in Europe after Albania (per capita USD 1,102).[6] Unemployment is still increasing. Indicators for the last quarter of 2000 pointed to a 0.002% increase in the Federation and 0.11% in the Republika Srpska. In the past two years, a greater proportion of the population edged closer to poverty.

With the help of the World Bank legal reforms are being implemented so that the country's employment laws are in line with the International Labour Organisation.[7]

Reforms in employment policy, education, introduction and liberalisation of trade, fiscal policy and capital market are a necessary part of the transition to a market economy. This process in central and eastern Europe has achieved some results. But in Bosnia and Herzegovina, there are still political and bureaucratic obstacles to the change.

1.3 *Demography*

Official figures on the present population are inaccurate as they are based on municipal reports. The 2001 population and estates census was postponed so that it could include returning refugees and exiles. However, it is more likely that the refugees and exiles will trickle back over the years rather than return en masse. As it is uncertain when the census is to take place, we can only provide possible trends from estimates based on official data. A more reliable analysis would require restricted statistical studies and where none is available, conclusions will be drawn from the authors estimates.

During the war, the country's population fell by a third to three million. There are 600,000 internally displaced persons[8] – that is, people who for some reason are no longer at their pre-war residence but are in the country. Most of these people are unemployed.

Another intensive process is the emigration of young, educated people. Official documents tend to over-estimate the population although it is decreasing. If this implies that there is no growth then we can infer that the number of emigrants equals that of returning refugees or exiles. Some figures show that more than 250,000 people have left the country three years after the Dayton Agreement - an annual drain of 4% of the workforce. This could have a disastrous impact on the demographic structure as it could frustrate economic development and foster social tensions.

5 European Bank for Reconstruction and Development Transition report, 2000.

6 Projected economic growth of 9% for 2000 would be more realistic if it was between 4.5% and 6% in Bosnia and Herzegovina. Source: International Crises Group report for Balkan, No 115, 7; August 2001.

7 Reform aim is reduction of differences between employees and employers by ensuring that in their respective domains they have more rights than the old laws from the previous political structure.

8 United Nations High Commissioner for Refugees Report No 1, June 2000.

2. The labour market background

As of to date, the labour market does not function properly. Reflecting the economic system, the labour market is divided in three parts - each with a labour force that far exceeds demand, and with little freedom of movement of labour force. There is no co-ordination among the Federation, Brčko District and Republika Srpska or attempts to meet the International Labour Organisation and the European system of employment support.

Before the war, agriculture was the only source of income for 7% of the population and 40% were in business. The remaining 53% had income from both sectors. There are no post-war statistics.

Some 618,000 of the country's pre-war population worked on 571,000 farms giving an average of 1.1 persons per farm. Some farms, usually those with elderly people, were neglected, and some were far from the markets. Generally, farmers used traditional agricultural methods and not modern technology. Although there are no post-war data on agriculture, many of these properties have certainly been abandoned. Many suburban households are engaged in agriculture as an extra source of income.

The remaining 3.5 million people are not in agriculture, with 1.8 million of working age. Dependants total about 1.3 million and some 380,000 have an income.

Post-war employment fell sharply. We will enlarge on this later. But for present purposes, apart from the reduced population, this was caused by industrial decline and a corresponding drop in demand for educated employees. The current education system is inappropriate as it churns out a large number of unemployable people since it has failed to adjust or, more accurately, to anticipate the needs of a developing economy.

The post-war situation brought a rapid growth in public administration, but there is no institution for educating those in public or state administration.

The post-war economy has brought about the development of an informal market as well as a large number of employees in international organisations which have not been included in official statistics.

2.1 *Employment and employability*

In 1987, there were about 1,076 million employees in the country, i.e. only every fourth inhabitant or every third inhabitant of working age was in employment. In mid-1999, this was reduced to 1,054 million[9], with no statistical effect on the general employment rate. Those self-employed in agriculture were excluded from the earlier figure so the employment rate is higher than given. Of those employed in 1999, 898,000 or 85% were employed in the economic sector (private and public) and 156,000 or 15% in the public sector. In other words, for each employee in the public sector there were 5.8 employed in the economic sector.

9 Source: SGB&H 1999, RZS Sarajevo.

In mid-2000, the total number of employees was about 641,000 with 160,000 in the public sector and 483,000 in the economic sector. Those employed in the army and police were not included in public sector data.

Post-war, the number of employees in the private sector fell to 407,000 due to decline of industry. In the public sector it increased by at least 13,000 though the figure is more likely to be 60,000, due to the new structure of the country. Thus, administrative costs have increased, and created a need for higher tax rates with problems for the economy.

Of 412,000 employed in the Federation, 30% work in the public sector and 70% in the economic sector. The latter includes those on the waiting list. Republika Srpska presents a more optimistic picture. Of its 231,000 employees, more than 14% are in the public sector giving it a 1:6 ratio.

2.1.1 *Structural changes in private sector employment*

The economy has seen intensive structural changes such as support for small and medium sized enterprises.

In the private sector, efforts have been channelled towards the recovery of agricultural production, and small and medium businesses. Most of the cantons in the Federation offer credit through the minimal livestock fund (one cow per household) to reduce household dependance on the state but this aid is inadequate for market production. It is unsurprising that most of these households are unable to repay the loans. Similarly, the United States Agency for International Development (USAID) has been giving credits to small businesses since 1997 but at a high interest rate. According to press reports, the agency supports 550 private projects employing 16,700 people. Another example is the Public Employment Services which finance re-qualification to maintain the employment level and increase jobs. But as it has limited means its activity is restricted in volume. Generally, the incipient private sector has no economic clout.

2.1.2 *Employment opportunities for graduates (school-leavers) of educational institutions*

In size and structure, the pre-war education system was more developed. Rapid reforms are vital as the system now suffers from over-specialisation and inflexibility. While these flaws still exist, there will be far more graduates than job opportunities for at least the next ten years.

It follows that there is little scope for employing young graduates in the education system. Currently, demand is limited to English teachers, information technologists and mathematicians and there are a few vacancies for teachers in religious schools, high schools and advanced schools.

There is an urgent need to train people for administrative roles in government or the public sector and this should be reflected in the curricula of secondary and high schools and tertiary education institutions. Currently, the government employs 25% of the total workforce whose only knowledge of administration is through work experience. This inadequacy is reflected in the dysfunctional interaction between the economy and the public sector. It is thus important to work with international organisations to establish relevant education institutions. Vocational education and training should be aimed at training teachers in administrative and management skills for the commercial management of small and medium sized enterprises and teacher training.

One such worthwhile practice is offering work placements in municipal administration for recent graduates and students. The Organisation for Security and Co-operation in Europe mission initated such a project to help young people gain administrative experience for a period of six months to a year. This may lead to them getting a job in administration. However, the problem is that municipal administration currently have enough staff.

2.2 *Unemployment and employability*

Real unemployment. There is no regular data collection of either real employment or real unemployment. Independent research revealed the number of unemployed in the country at 837,000 of which 598,000 are in the Federation and 239,000 in the Republika Srpska[10]. Measured against the working population, unemployment is 41.8% - 43% in the Federation and 40% in the Republika Srpska. Applying the International Labour Organisation criterion[11] and using official data on employment (which are inaccurate), national unemployment is 56.7% in the country - 59.2% in the Federation and 50.8% in the Republika Srpska. Assuming that one-third of those formally employed in the economic sector is unemployed, after privatisation real unemployment will increase to more than 65%.

Registered unemployment. The number of registered unemployed is only about half of the real number. Figure 3 shows[12] monthly variations caused by seasonal employment but neither monthly nor annual comparisons with preceding years indicate a decline in unemployment. On average, the registered unemployment rate grows by an annual 1.3% with no foreseeable change.

In 1999, the registered labour demand was for 25,800 people - 14.4% in the Federation and 11.4% in the Republika Srpska. In 2000, the formal demand was reduced to 14% in the Federation and 9% in Republika Srpska. The total state demand fell to 12.2% or 22,600 working places. Registered demand was reduced in the first half of 2001 as well.

As can be seen in fig. 3, labour supply in the country is distressingly higher than formal demand. There are 16 times more people applying for jobs than are available and five times more among graduates looking for their first job. These numbers are even more unfavourable when measured on a daily basis. The monthly ratio between demand and supply is approximately 12 times more unfavourable than the annual one. Due to the decreased demand for labour in the formal labour sector in 2000, the ratio between the demand and supply for labour worsened by 15%. The ratio in the Federation is more unfavourable than the preceding year by about 17%, and in the Republika Srpska by about 14%. Some 83% of newly registered or 95% of total registered unemployed are excluded from competing for a work place. This means 83% of school leavers or 95% of all registered unemployed are unemployable and socially excluded in given circumstances. There is little labour market difference between the Federation and the Republika Srpska. However, the problems in these two entities cannot be remedied by public service employment action or palliative macro-economic measures. What is needed is an active economic policy mainly aimed at economic revival and job creation.

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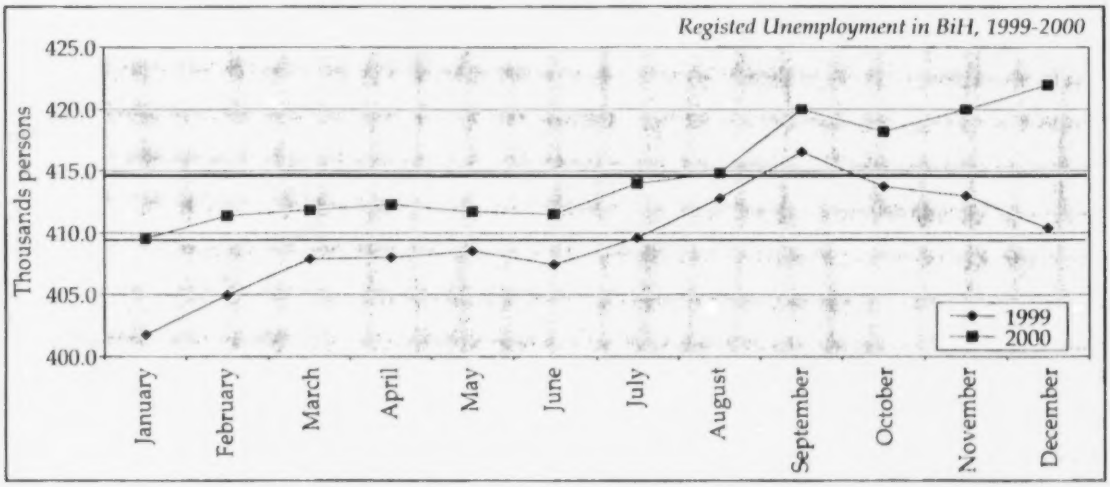
10 United Nations Development Programme: Early Warning System in Bosnia and Herzegovina, Base Line Report, June 2000, page.27. Real unemployment is higher than the official unemployment rate since a high number of unemployed did not register.

11 By International Labour Organisation criterion, the unemployment rate is a ratio between unemployed (U) and employed (E), i.e. U/(U+E) in %.

12 Source of data for figure 3: Bosnia and Herzegovina Public Employment Services. All other analyses in this chapter derive from this source.

Fig. 3. Unemployment dynamics I/99-XII/00



This view has been confirmed by the country's Public Employment Service special research to accurately establish the professions most required in employment, and to increase the employability of those with partial knowledge and skills through additional training. The research covered 252 professions from about 100,000 unemployed. By late 1998, it registered 92,700 unemployed of whom 5,400 knew a foreign language and 2,400 had computer knowledge. A year later (late 1999), the number of unemployed in the same professions increased to 111,300. In only 49 professions was there a decrease in the number of registered unemployed as shown in table 7. Demand was concentrated on only 20% of the 252 professions. Often, the supply for a profession exceeded the demand by two to five times.

The preceding analysis shows the need for two parallel actions. Firstly, the radical and active co-ordination of education and the economic needs of the society. Secondly, massive and quicker retraining or additional training for the unemployed to match the rapid development of technology and dynamic changes in the labour market and reduce the absence of workers from their work whilst training.

Long-term character of unemployment. As shown in figure 4 the average time spent in looking for a job is 3 years. Only the young unemployed (6% of total unemployed) aged 15 to 18 are able to find job in under a year. All others are considered as long-term unemployed. As the average waiting time for a job is 3 years, this is approximately half the life-span of applied technologies before they are outdated. This makes it difficult for the unemployed to keep up with new technology if what they have learned may be outdated by the time they get a job, let alone being able to apply it. There are no special training, re-training and employment projects for the long-term unemployed, supported by public employment service grants or government grants for new work placements.

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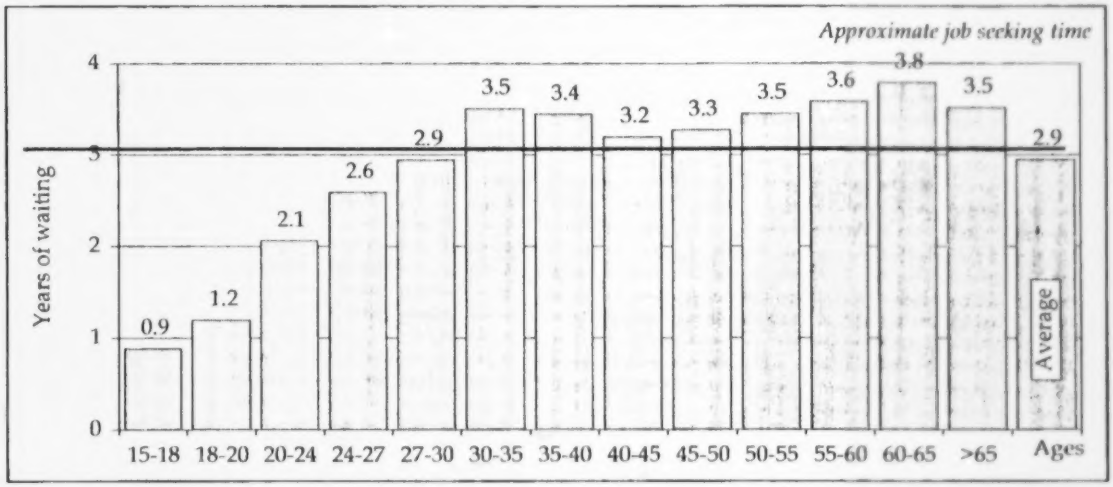
Fig. 4. Age of unemployed and job seeking time



Young unemployed. Those school leavers who enter the labour market for the first time account for 62.6% of registered unemployed and those who have lost their jobs account for 37.4%. This situation applies equally to the Federation and Republika Srpska and has serious consequences for the exodus of educated youth. Unfortunately, owing to the lack of funds there is little attempt to reduce the number of young unemployed.

Demobilised soldiers, families of deceased soldiers and the disabled. Approximately one-third of total unemployed in the country comprises demobilised soldiers, 4% of whom are families of deceased soldiers and another 4% are disabled veterans. These figures are higher in the Republika Srpska than in the Federation making the unemployment problem more complex. While this category of the unemployed has been reduced, reflecting the huge efforts in finding them employment in both political entities, their number is still disturbingly high. The disabled and families of deceased soldiers are in a particularly difficult position as having new work places is insufficient for their employment. What is required is additional training, re-training and financial support for those enterprises which are their potential employers and social support for enterprises specialising in employment of the disabled.

Regional differences in development. Data presented in figure 5 on the cantons in the Federation show considerable differences. Some cantons (Posavina, Central Bosnia, Una-Sana and Tuzla) do not have sufficient economic activity to increase employment rapidly. This applies equally to areas in the Republika Srpska such as Trebinje and the Visegrad. Generally, there are substantial differences between the country's two political entities.

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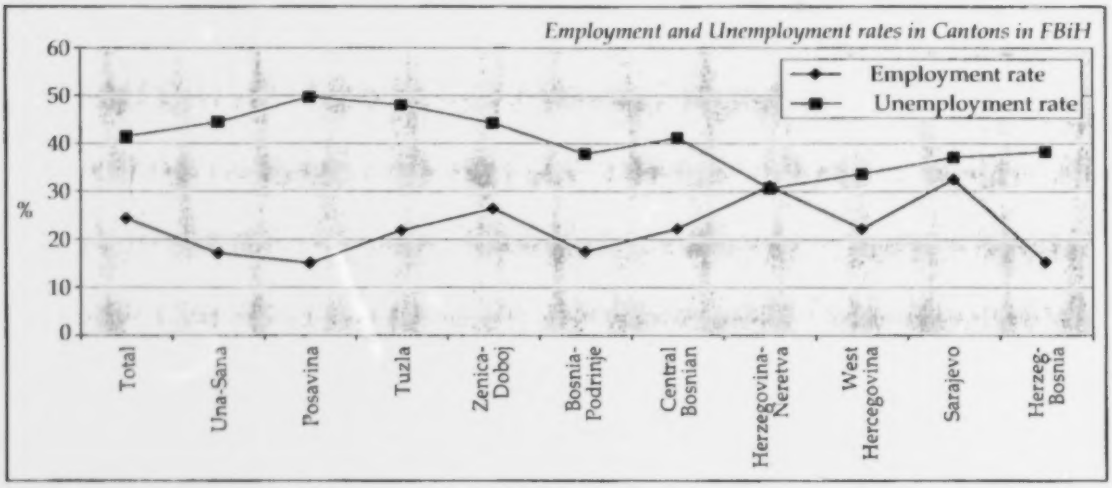
Fig. 5. Regional differences in employment and unemployment



The less developed areas in the country have such severe problems that they require special support in the form of funds for underdeveloped regions. This is not a novel solution as the European Union has its own regional fund for a similar purpose. Such a fund should be established in this country to draw on the European Union Regional Fund on a partnership basis.

In the transition process, the Republika Srpska has had to deal with many problems and unemployment is the most complex as a result of property transformation, establishment of market principles and important changes in all economic sectors.

In year 2000 there were 153,264 registered unemployed in the Republika Srpska. The highest number of unemployed was in Banja Luka (43,795), followed by Bijeljina (38,531), Doboj (25,233), Prijedor (17,642), Sarajevo (15,136) and Trebinje (12,927). Unemployment in this political entity in 2000 was 40.11% (39.7% in 1999), with large regional differences. In year 2000, 27,822 unemployed were removed from the register because they found employment (7,302) or their applications (21,855) were invalidated for one reason or other, e.g., not applying within the given period, moving, etc.

2.2.1 *Educational attainment of the unemployed*

An analysis of the unemployed in 2000 showed that most had grade III intermediate specialist training, followed by those without professional qualifications and those with grade IV intermediate specialist training.

An analysis by profession showed no change from previous years. Within the grade III intermediate specialist training category, the most numerous of the unemployed were salesmen, drivers, locksmiths, lathe operators and ready-made garment workers. The grade IV intermediate specialist training category included economic technicians, machine technicians, administrative workers, nurses and general secondary school graduates. Those in advanced (grade V) and university-level (grade VII) specialist training category were economists, jurists, professors, engineers and doctors.

In terms of age structure, the highest unemployment is among those aged between 35 and 44, and 25 to 29, followed by those in the 45 to 54 age group (26,294), 23 to 24 (23,561), 55 to 60 (4,964), over 60 (1,853) and 15 to 19 years (244).

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Workers on the waiting list. "Waiting" workers are considered as employed. Data from the Federal Institute of Statistics for November 2000 show that there are 42,100 workers in this category or 10.2% of the unemployed. Some indicators from the country's Association of Independent Trade Unions show a far higher number. Of the total number of workers waiting, women account for 15,000 or 35.7% showing a tendency of absolute and relative reduction as a result of applying Article 143 of the labour law.

Illegal work. Illegal work, i.e. work in the informal sector, has posed a particular problem but there are no reliable data on the subject. It has been estimated that the informal sector employs about 300,000 people or 72.7% of the total employment figure. Even if this information is used with reservation and modified to 50% it still presents a huge problem.

The following highlights the main features of unemployment:

- The total labour force exceeds official demand by some 300 times.
- In all areas it is generally more difficult to employ ethnic minorities.
- Waiting time for employment increases for the older age groups. Employment Office data show the average duration in 2000 was 36 months with a likely increase in 2001. Data on the unemployment rate of school-leavers and graduates could only be collected for year 2000. They showed that most in this group had only grade III primary school education followed by those who had full primary then vocational, advanced and university education. Depending on the area, there are seven to ten times more school-leavers and graduates than there are jobs for them.
- It is harder to employ people with technical education than those with social qualifications. This suggests that it is the public sector and not economic demand that is creating employment.
- There are a high number of skilled workers waiting for employment – more than 66% of unemployed.
- There is surplus labour among the unskilled unemployed and in certain professions, particularly grades III and IV of intermediate specialist training.
- The above factors reveal an increasing number of job seekers.

Increased employment is unlikely to occur unless there is a transformation of the current system. A strategy on new employment opportunities should be considered. This should involve the development of labour and trade policy, small and medium enterprises and self-employment, public sector development, fiscal discipline, educational reform and vocational education to suit market needs. The latter would stimulate employment in the formal sector and thus increase the number of tax payers rather than enlarge the informal market and deprive the state of much needed revenue.

2.3 *Labour market policies*

Before the war, Bosnia and Herzegovina had an integrated labour market that adhered to some 66 of International Labour Office conventions. This was the same period when European Union members ratified and implemented 60 to 120 conventions. This shows how much Bosnia and Herzegovina had in common with Europe as regards labour market regulations.

Although the signatories of the Dayton Agreement promised to establish the highest standards of human rights in the country (Article 1 of the Constitution), those rights have yet to manifest themselves. The labour market is spread across the entities and cantons. The richer cantons are likely

to forge ahead at the expense of the poorer ones causing increased unemployment in the latter and provoking inter-regional tension.

The Office of the High Representative in Bosnia and Herzegovina has enacted a law to integrate the labour market and implement the 66 International Labour Office conventions ratified in 1992. In the long term this law will generate a more stable context for easier integration of the labour market. It will provide a support system for the disabled as well as protect other social and ethnic minority groups from discrimination. It is crucial that Bosnia and Herzegovina co-operate with those European countries that employ the largest number of its citizens as well as relevant international organisations. There are now about one million refugees abroad, and at least a third of these are employed. If this figure is added on to the 300,000 employed abroad before the war then the number of those employed outside the country almost equals those within the country. This underlines the importance of renewing numerous international agreements so that they are consistent with trends in Europe.

There is, however, only incomplete information available for co-ordinating a common labour market system in the country. Although matching hardware and software for facilitating employment information have been installed in all municipalities, this system has not been networked to cantons, regions, entities or other European countries. To achieve this, funding is needed.

Before the war, the Public Employment Services had useful experience in supporting employment but they now have limited resources. In contrast to the high unemployment rate, unemployment benefit is 2% of income in the Republika Srpska and 3% in the Federation which is a miniscule amount.

Only 9% of the unemployed in 1998 and 5% in 1999 received any support from the state as an active measure. The number of people receiving support declined from 36,000 to 32,000. It is important that the government introduce job-creation schemes to stem rising unemployment.

Only 1.8% of the unemployed qualified for compensation through insurance in 1998 and 2.0% in 1999. This shows the discrepancy between the country's law and that of the European Union. The law in the Federation also promises health insurance for the unemployed regardless of previous employment. If this right was underwritten by the unemployment insurance contribution, the rate of those qualifying for insurance would increase four times to about 8 to10% which the state cannot support given its poor economy.

Unemployment insurance is paid by employers and employees - the latter while still in employment. Insurance claims have to be made within a certain time period. Unemployment insurance gives the insured a right to a financial allowance and other compensations covering health, pension and disability. However, when the unemployment insurance expires so do its supporting compensations. Those who have not had a job are unable to claim social, health or other kinds of insurance. This also applies to those who have been unemployed for a long period and those whose insurance cover has expired. In theory all these people should have access to some form of social benefit. But in practice, the country's social policy is minimal.

Unemployment insurance and related institutions are less of a problem than unemployment and social security. It is more important that we have wide-ranging laws to support employment, specific employment and social security programmes which include distribution of funds.

2.4 *Future skills needs of the economy*

Pre-war methods of forecasting and planning economic development are outdated. From the 1970s, education was increasingly specialised while the economy was stagnating. By the early 1980s, there was a large labour surplus which the economy then could not sustain. This conversely indicated that the economy and education system were not in tandem and were not helped by poor economic forecasting and planning.

New forecasting methodologies have still to be introduced in the country. However, they should be developed soon.

2.5 *Necessary measures for labour market stabilisation*

To avoid repetition, a summary of suggestions on the necessary measures for improving the current labour market is given in paragraph 9.2. These were discussed in the 1999 report but are still applicable. Those suggested measures that have been implemented will only be dealt with briefly.

Suggested measures of current interest will be divided in into general and special categories. General measures are aimed at state and foreign politicians who could as partners contribute to the general stabilisation of the country and in the neighbouring countries. Special measures are aimed at all the various tiers of the country's political decision-makers, i.e. state, entity and regional levels.

3. Modernisation of vocational education and training as lifelong learning

3.1 *Introduction*

Education helps to prepare people for employment. It was a long-held belief that graduation meant the end of formal education. However, the development of technology has refuted this view since there is radical technological change every four or five years. Given that most people are employed for more than 40 years, all technological knowledge require constant updating if these same people are not to be rendered useless over the same period. In other words, if people are to stay employed, they will need to update this knowledge through re-training about eight to ten times in their working life or every four or five years. This issue prompted the "life-long learning" concept some 30 years ago. In short, 20% of those of working age must re-train every year. In Bosnia and Herzegovina, this situation is exacerbated by the fact that even the most basic technological knowledge is at least 20 years out of date as there has been no input in the past two decades. Each year, some 250,000 to 300,000 people need to be re-trained in the country. Assuming this extra education lasts a month, at any given time it affects some 20,000 to 30,000 people. If we know that 200,000 students[13] are in regular vocational education, we can conclude that the provision for education should be doubled. Absurd as this expectation may seem given funding difficulties, this currently untapped initiative could give the country's education system on to a fresh start. Later in the chapter, we will examine the problems that arise from learning while at work.

Bosnia and Herzegovina is not a member of the European Union. As a condition for entering the European Union, potential members are asked to develop a flexible education system that matches the European system. They also have to produce an education strategy, create special social funds to support the unemployed and raise the demand for labour in undeveloped and disadvantaged regions. A member country can supplement its own resources with support from the European Union for substantive projects.

Regardless of its current prospects, the future of Bosnia and Herzegovina clearly lies within the European Union. We should embark on membership negotiations as soon as possible to save on time and resources with the co-operation of the European Union.

Despite the general pessimistic prospects, some important changes did take place in 2001.

On the path to European Union membership, Bosnia and Herzegovina should become a member of the European Union Council in early 2002. With mediation from the UNESCO, an agreement at Ministry of Education level was signed in 2001 on accepting basic indicators for primary and secondary education modernisation for the period 2001-2005. Two seminars have been held to determine the basic indicators for a modernisation strategy which should eventually bring primary and general education closer to European standards. These changes should feed into general and vocational secondary education.

13 The number does not include primary schools which are attended by about 400,000 pupils.

3.2 The human resources development strategy and national development plan priorities

The National Development Plan is obligatory for European Union candidate countries. Bosnia and Herzegovina at present does not have a National Development Plan.

Candidate countries are also required to set up a social fund. Bosnia and Herzegovina urgently requires such a fund with a wider frame of reference than those in the European Union.

3.2.1 Brief introduction to the education system

Although the education system in Bosnia and Herzegovina is organised independently by the Federation, Republika Srpska and the Brčko District - these systems have little differences. The education system includes pre-primary, primary, secondary, advanced and high education (University). See Scheme 1 in Appendix II.

The Dayton Agreement introduced key changes in the constitution of the Federation in July 1994[14] with responsibility for education devolved from the national government to the cantons. All cantons had educational autonomy with responsibility for the structure and implementation of policy, framing of regulations and the provision of materials. The Agreement also assumed that the current education system in the Federation would be temporarily based on the 1990 primary, secondary and higher education law. Between 1995 to 2000, all cantons apart from the mixed cantons of Central-Bosnia and Herzegovina-Neretva accepted the primary and secondary school regulations, albeit with certain qualifications.

As a result there are ten education systems today in the Federation which fortunately do not vary greatly. The establishment of an education system in the District is in progress, including a new multi-ethnic curricula, a network of primary and secondary schools and an education law.

In practice, the education systems in the Federation have not contributed to the decentralisation of the previous education system. They have only redirected authority from the Federation to the cantons. Schools retain their traditional role and do not have autonomy, greater public responsibility or influence on educational trends.

In the Republika Srpska there is a common education system, answerable to a central authority that is legally responsible for pre-primary, primary, secondary and university-level education.[15] Republika Srpska has made preparations to amend education laws to accelerate changes for modernisation.

Laws on primary, secondary and advanced education are in the pipeline and will soon be adopted. These will be important changes to enable gradual decentralisation of primarily vocational schools.

Both the Federation and Republika Srpska are applying new education strategies to achieve membership of the European Union. The new strategy in the Federation should include all aspects of education such as staff education and the modernisation of vocational training. Drafts are being prepared for the final outline of the directions on basic development with the help of international organisations (Office of the High Representative, Council of Europe, UNESCO, UNICEF, CIVITAS, World Bank, European Union, Phare, EC TAER, Tempus etc.).

14 21 July 1994, Official papers of Federation of Bosnia and Herzegovina N° 1/94.

15 Law on primary school, Law on secondary school, "Official paper of Republika Srpska" N° 4/903. Law on University, "Official paper" N° 12/93.

Pre-primary education for children aged from one to six or seven is not compulsory. There are 152 pre-primary institutions in Bosnia and Herzegovina - 109 in the Federation and 43 nurseries and kindergartens in the Republika Srpska. Only 6% of children in the Federation and 5% in the Republika Srpska are in pre-primary education. These figures show social negligence and an urgent need for systematic planning and intensive development. In the Federation, parents pay for pre-primary education. In the Republika Srpska, funding varies. It may be paid for by a municipality, parents, the Public Child Care Fund or a permutation of the three. There is also a shortage of teachers with only 731 in the Federation and 495 in the Republika Srpska. A positive note is that all ten cantons have a law on pre-primary education which is a sign of progress even if pre-primary education is not compulsory. A few cantons offer a six-month course for six year olds to prepare children for primary education.

There is thus almost unlimited scope for private institutions to serve this neglected sector as long as all legal regulations are adhered to.

During the school year 2000-2001, **primary education** in Bosnia and Herzegovina was provided by 539 central primary schools for 383,341 pupils. There were 343 schools in the Federation with 259,036 pupils and 196 in the Republika Srpska with 124,305 pupils. The pupil-teacher ratio is 19:1 and 17:1, respectively.

Primary education is for eight years. It is compulsory and free (apart from private schools). It provides general education in two four-year cycles: class teaching from first to fourth grade and subject teaching from fifth to eighth grade. It is available to all pupils regardless of social background, religion or nationality. Children aged six and above enrol in the first grade. In the Republika Srpska, children have to be six and a half or seven by the end of the calendar year when they enrol in the first grade.

In the Federation, primary education aims to impart basic knowledge and social skills according to the individual's abilities. It comprises regular classes, additional classes, together with complementary and/or specific courses plus free activities.

Primary schools in the Federation do not share a common curriculum. Cantons and schools (not founded by cantons) are responsible for the curricula and have a right to introduce specific teaching in primary schools. For example,"Security in a democratic society and Civil Defence" will soon be replaced by "Education for democracy and human rights" with the curriculum in preparation.

The primary school curricula contain compulsory and voluntary subjects covering the social sciences, mathematics, physical education, health care, art and technical subjects. The schools are closely linked to their communities. In the Federation the schools are financed by cantons with municipalities contributing to material costs. Standard primary schools also run classes for children with special needs. There are also primary schools and institutions specifically for the education of mentally retarded children. These schools will probably gradually disappear and their function absorbed by conventional primary schools. On leaving school, children with special needs go on to work in special institutions of which there are three in the Federation - all in Sarajevo. There are voluntary primary schools specialising in music and ballet. These have flexible curricula which take into account the talents of the students and do not teach general subjects. Adults who did not complete primary school can catch up by attending intensive courses which are shorter than those for regular students.

Primary education in the Republika Srpska is for eight years. As well as primary education in its usual form, there are also adult education, music, ballet, courses in special schools for children with special needs and education for the children of citizens overseas. Primary education has a series of

general targets and aims to impart a general education, to develop the students' character and generally prepare them for further general and vocational education.

The curriculum defines which subjects are compulsory, voluntary or free. Children have to pass an exam to enrol for music and ballet primary schools. Music primary education lasts two to six years. Children start ballet school aged between eight and ten.

There have been some strategic shifts in primary school education with the first three years on class teaching followed by three years of subject teaching. There are now three further grades or lower secondary in 16 schools. The curricula for these latter grades have been specifically aimed at preparing students for the next stage of their life. In brief, nine-year primary education is going through an experimental phase with an underlying stress on interactive learning.

After primary education, students go on to **secondary education which lasts three to four years**. It includes:

- General education, languages, mathematics
- Teaching schools (none in the Republika Srpska or in the Federation's cantons with a Croat majority)
- Art schools
- Technical and related schools[16] (only in the Federation)
- Vocational schools[17] (in the Republika Srpska, these schools offer three- and four-year vocational courses respectively at third and fourth level)
- Religious schools
- Special schools

Students are required to sit an entrance examination in the Federation or a qualifying examination in the Republika Srpska before starting four-year courses. Enrolment in art schools is conditional on passing an entrance examination that includes aptitude tests. Students enrol in a three-year secondary school on the basis of their general level of achievement and success in subjects related to their future work.

Changes in secondary school curricula have the most impact on students since secondary school education is the springboard to employment or further education. Once secondary schools have been modernised along European lines, they will have removed over-specialisation and an encyclopaedic approach and will be more flexible with simplified and updated curricula. These changes help towards motivating students.

In the academic year 2000-2001 there were 298 secondary schools in the country. Of these, 206 were in the Federation[18] and 92 in the Republika Srpska. The latter include one school devoted to theology; three to art and music, three for special needs, 11 independent gymnasiums, 50 vocational schools up to third and fourth level and 24 general schools offering both general and vocational courses. In the same school year, 171,697 students attended secondary schools: 113,879 in the Federation and 57,818 in the Republika Srpska. There were 10,832 teachers - 7,432 in the Federation,

16 These schools are equivalent to 4th level vocational schools in Republika Srpska. Both schools are called 4-year vocational schools in the Federation and Republika Srpska.

17 These schools and 3rd level vocational schools in the Republika Srpska will be in further text called a 3-year vocational schools.

18 It is not possible to give the exact number of schools of each type. Apart from independent schools, there is a large number of mixed schools which include different types of schools. Data on this are presented in Table 2 in Annex II and are for Bosnia and Herzegovina.

an average of 1.9 teachers per class and 3,400 in the Republika Srpska. In both entities, the student-teacher ratio was 15:1.

The number of students in primary and secondary schools in the school year 2001-2002 showed a slow decrease. The Republika Srpska is beginning to rationalise secondary schools mainly by amalgamating those general secondary schools with reduced student intake with vocational secondary schools. The secondary school network can thus expect some changes.

3.2.2 *The initial vocational education and training system*

The initial vocational education and training system encompasses technical and related schools, vocational schools (see footnotes 11 and 12) and art schools.

Technical and related schools in the Federation and four-year vocational schools (see footnote 11) in the Republika Srpska provide four years of education following the general and vocational curriculum for full and part-time students. Students enrol in these schools if they have successfully completed primary school in general subjects and subjects related to their future work. Exams related to the latter eliminate students who fail.

Secondary vocational schools in the Federation and three-year schools in the Republika Srpska (see footnote 12) offer three or four years' general and vocational education to full- and part-time students. Students who complete primary school may enrol in these schools but acceptance depends on their success in general and vocational subjects.

Four-year vocational schools are more popular than their three-year ones by a ratio of 3:2. Four-year students sit the school-leaving paper and three-year students, the final paper. After completing the three-year course, students are eligible for higher schools or university provided they pass the entrance exam and an additional paper.

There are 37 types of technical and vocational three- and four-year schools in the Federation. Students can choose from a list of 140 occupations. In the 2000-2001 school year, some 41,310 students attended four-year schools and 45,500 students, three-year schools in the Federation. In the Republika Srpska, there are 50 vocational schools and 24 that offer both general and specialised subjects. At these schools, students acquire a general education, grounding in vocational theory, and practical knowledge in 15 fields of work related to more than 100 occupations.

In vocational schools in the Republika Srpska and in technical and related schools in the Federation practical classes and production work are conducted in school workshops, companies and private businesses. Conducting practical classes in three-year vocational schools is a daunting challenge because of the large number of classes, obsolete equipment and a relatively low level of teaching technology. This is particularly the case in small towns and expensive educational sectors. The latter include mechanical engineering and metal processing, forestry and wood processing, geodesic and civil engineering, geology, mining and metallurgy. This has affected the quality of training. However, this is likely to be only a temporary phase. After completing three-year schools, students may continue their education for a fourth degree[19] if their previous school performance was outstanding or as fee-paying part-timers. In vocational schools, students can receive a year's work training or two years' education related to work. They can also acquire a specialist skill. In the Republika Srpska, the title of "Master" is awarded to those who complete the one-year course. But in the Federation a similar course with the "Master" qualification takes two years and is open to those who have completed secondary school and have two years' experience in a related trade. Students

19 See Scheme 1. - Education in Bosnia and Herzegovina.

receive a certificate on successful completion of a grade and a diploma when they pass the final or school-leaving examination.

The final examination contains general and vocational components covering oral, written and practical sections with the latter examined in the presence of the vocational school board.

Vocational qualifications do not involve any assessment or certification. Only schools can legally issue recognised diplomas to graduates from secondary education.

3.2.3 *Training within each level and/or path*

In secondary schools, particularly vocational secondary schools, there are far too many courses. While this may suit the students and reduce social problems, it results in immense staffing difficulties. One of the basic tasks when framing education strategy is to update those parts of the curricula that are outdated and dysfunctional. This problem has been addressed by the Phare Vocational Education and Training Programme, but the initial positive steps for reform under its patronage need further development.

In 2001 the Green Paper became the White Paper - a strategic document for establishing activities and priorities. For instance, in the Bijeljina school for economics the curricula now include modular courses for two new professions. A much shortened and updated curriculum reduces the number of general education subjects to five with more emphasis on practical classes. This curriculum is now in the third year of its trial at two pilot schools in the Republika Srpska. Assessments have been positive and after the fourth year it may be available in more schools. A small number of students receive scholarships from the Soros Foundation and from the Orphans Funds.

Only two of the ten cantons are in a position to offer scholarships. Canton Sarajevo and Canton Tuzla award one-year scholarships to the best students in each generation in primary and secondary schools amounting to KM 1000 annually as well as to students who come first in the cantonal competition, or one of the first three at federation level competitions. Additionally, talented young people (chosen by open competition) are offered help in preparing for their Master of Art examination.

The Ministry of Education in the Republika Srpska offers more than 200 scholarships to university students and some secondary schools. But these scholarships offer too little to attract students into professions that urgently need new recruits.

3.2.4 *Access to further levels of education and employment*

Secondary schools, unfortunately, do not produce school leavers who fulfil market needs. These schools are restricted by the current secondary school network, limited school space and teaching staff.

In the Federation a large number of primary school leavers (about 50%) do not progress to secondary schools. Approximately 25% of graduates from technical and related schools go on to advanced schools and high schools. This is because having more education makes it easier to get a job, as reflected in the shorter time spent on Employment Office lists.

Few jobs are available in the country because of its devastated economy. Most vocational school graduates are trying to find work with only about 10% attempting to complete a four-year vocational course that would give them access to advanced or high schools.

If these young school leavers fail to find work immediately or forgo higher education, they face a bleak future, i.e. an average two-year wait for jobs by which time their skills, if not lost, will have to be updated. This is a huge problem confronting vocational education and training in this country and made worst by the fact that it is not being dealt with.

With the help of the Phare Vocational Education and Training programme, experts from all over the country have formulated a strategy for vocational education and training. This recommends the establishment of an institution for research on the labour market, its requirements, and the relevant education system to fulfil market needs. Such an institution would co-operate with other organisations so as to be in touch with available jobs and suggest the appropriate education for filling these posts.

3.2.5 *Responsible bodies*

Both state and private businesses are interested in initial vocational education and training. Each year, they are asked to state their staff requirements. The education authorities then draw up a student registration plan and issue official invitations for enrolment in the first grade. Until 1992, this process was conducted by a central unit for the whole country.

This responsibility now lies with the ten cantons in the Federation which legislate and implement education, formulate the students' registration policy and issue official invitations for school enrolment. Each canton's Ministry of Education operates with the assistance of a pedagogical institute and some schools. New vocational schools may be established if there are the available land, equipment, teachers, financial resources and sufficient student numbers for at least two classes at each grade. Each canton provides funds for existing schools and those in the pipeline. In brief, the students' registration plan relates to students invited to enrol in studies for a specific occupation or a vocational profession. However, the data show this planning to be unrealistic.

In the Republika Srpska, the entrance policy of secondary schools is determined by the municipalities and schools and co-ordinated by the Ministry of Education. Businesses and other institutions have little say in this as it is the students' interest in certain courses that largely dictates plans and future projections concerning entrance. Labour market requirements receive scant consideration.

The education policy in the Republika Srpska is controlled by the Ministry of Education, its pedagogical institute and independent units. The Ministry of Education is fully responsible for the establishment and financing of schools, provision of equipment, implementation of the curriculum, approval of textbooks, selection of methodology, and management and supervision of teachers.

But it is now vital to decentralise the schools and give them more autonomy since this is the quickest and only way to redistribute responsibility on a regional and municipal level. This responsibility should include control over resources to improve and spur the development of schools. Centralised control has not improved the 360 education institutions in the Republika Srpska. Hence the need to devolve responsibility to the regions and municipalities.

3.2.6 *Financing*

Prior to 1990, school finances were provided by the Self-managing Communities of Interest[20] that collected taxes. The Self-managing Communities then became public funding bodies and school

funding was limited to the amount of tax collected. This form of finance for educational institutions is sound as it ensures there are material resources and funds for the sector.

Monthly donations to schools accounting for some 20% of total school funds included gross funds to cover workers'[21] incomes and costs such as lunch, transport and refunds as well as maintenance for electricity and water, amortisation of basic resources and stationery. The number of employees assigned to each type of job was determined by pedagogical standards and incomes ranged on a scale from 1.3 to 4.

There was considerable investment in adapting and reconstructing schools, building new schools and buying new furniture and equipment. The results were outstanding because these investments were boosted by further funds from the municipalities and republican budgets and by donations from citizens and businesses.

The financing of other institutions such as the pedagogical institutes, including the Republican Pedagogical Institute, the Academy of Science and Art of Bosnia and Herzegovina, student dormitories and various associations for employees in education came from the Self-managing Communities of Interest and, later, from public funds.

In 1992, the war in Bosnia and Herzegovina brought industrial production, all transport communication and financial transactions to a halt. Funding for education and other social sectors was discontinued. The survival of the education system was largely due to the diligence of the employees in this sector and to regulations that rapidly appeared on working with students in time of war. In late 1993, the government of Bosnia and Herzegovina legally terminated the public funds which evolved from the Self-managing Communities of Interest and education costs were borne by the state budget.

The result of the Washington Agreement in 1994 and the establishment of a Constitution for Bosnia and Herzegovina enabled the Federation to transfer some of its income to the newly formed cantons as directed by political regulations and the constitutional authority of each canton. From August 1995, cantons, once called provinces, financed the schools and in particular their material costs. They were also responsible for 60% of education staff salaries and the Federal Ministry of Education, Science, Culture and Sport provided the remaining 40%. In 1996, responsibility for the latter payment passed from the Federal Ministry to the cantons. From then on, they ensured funds for educational activities in all primary and secondary schools and universities. Funds from the cantonal budget cover teachers' salaries and other costs at all secondary schools. Cantonal law stipulates that each canton draws its education funds from sources that include taxes and contributions to education. Other sources of funds for schools include:

- Donations;
- Legacies, gifts, foundations;
- Selling products and services;
- Selling services;
- Selling goods.

20 Communities of Self-managing Organisations were a pioneering attempt in the former Yugoslavia to enable social partners (representatives of service users and service givers) to manage the public sector, including education. This would be consistent with the Marxist theory that the State is supposed to wither away and has no right to intervene in this field except to legislate. However, the State administrative apparatus did not reduce its role whilst the administrative apparatus in the Self-managed Communities grew. There were thus two parallel apparatuses demanding more resources and neither assumed financial responsibility. The whole public sector rapidly expanded beyond the country's fiscal capacity. The outcome was an overburdened economy that finally collapsed.

21 School employees.

Vocational secondary schools have frequent recourse to these forms of fund-raising, particularly selling goods and services. For example, while teaching subjects such as metal processing, tailoring and carpentry, schools can generate an income from producing and selling garage doors, metal fences, clothes, tables, cupboards and other items. Part of this income pays for students' excursions and vocational trainers, and the rest is put into school funds.

Schools organise fee-paying classes for part-time students paid by these students' companies. Part of the proceeds provides extra income for teachers. The rest goes into school funds.

Salaries are allocated to employees in education according to their experience, current pedagogical qualifications and to the number of workers required to carry out the annual schedule. By adding assessment co-efficients and legal obligations, we can arrive at the gross income. In the Federation of Bosnia and Herzegovina, where Bosnians are predominant, the net income is between KM 320 and KM 450. Where there is a Croat majority, it is between KM 450 and KM 650. Running costs in educational organisations are accounted as a percentage of gross income funds. Amounts obtained are minimal and cover electricity, heating and telephone costs. In the Sarajevo canton, some 20% of gross income funds are spent on running costs; at the Una-Sana and Tuzla canton, it is 10%; at Zenica-Doboj canton, 7%.

In 1994, the gross domestic product in Bosnia and Herzegovina was DM 1.98 billion or DM 600 per capita. In 1998, it reached DM 5.58 billion or DM1,800 (US$ 900) per capita, which is only one-third of the pre-war total. Educational activity accounted for 2.1% of the gross domestic product in 1995. The figure rose each year and by 1998 it was 5.2%. This percentage is partly due to the high premium the international community places on education - in 1997 and 1998, 7.5% of all its donations[22] were for education.

Total education funds for the Federation from cantonal sources absorb a relatively high percentage of the gross domestic product. But, given the overall state of the economy and its devastated capacity, we can expect only a nominal amount from this source.

Since 1993, the Republika Srpska's budget has financed education at all levels, i.e. all primary and higher education schools, and wages and some resources for secondary education. Municipalities with secondary schools cover material costs, means for vocational training, investments, maintenance and other costs. Part-time students and those repeating a grade have to pay an amount determined by the Ministry of Education and defined in the financing rulebook.

Although the state budget for education has steadily risen - it was over 17% in 2000 - it is still quite inadequate. Furthermore, municipalities do not pay more than their legal obligations.

The changes and amendments to the Secondary School Law in the Republika Srpska include alterations to ways in which resources are provided. They aim to make financing more secure and to prompt secondary schools to generate additional funds to be spent in whatever way they like. These changes also permit the establishment of private schools. Since the school year 2000-2001, the Communication University in Banjaluka has been functioning as a private educational institution.

3.2.7 *Social dialogue and involvement of social partners*

The pre-war system of Communities of Self-managing Organisations included only two out of the three main social partners - the donors' representatives and the beneficiaries' representatives – and they sought to balance the structure of the education system with the needs of the economy. The

22 Donations in these years were oriented to reconstruction of the schools (objects) and supply of schools with equipment. Donors were: Islamic Bank, World Bank, Governments of Malaysia, Jordan, Japan, Greece, Korea, Saudi Arabia.

excluded party comprised the representatives of government whose remit was to keep the level of taxes payable to public services such as education within the limits of the economy and population. Post-war, the pendulum has swung the other way and social partners have no voice in government. As a result, schools are heavily under government control. While the influence of the trade unions has grown recently it is still confined to collective agreements on the salaries of school workers.

3.2.8 *Curricula development*

By the end of the war, three curricula still prevailed. One, launched in 1994 in Bosnia and Herzegovina when it was an independent republic, covered general education. It then passed into use in cantons with a Bosnian majority. Cantons with a Croat majority inherited their curriculum from Croatia and the Republika Srpska used the old Yugoslav curriculum.

The Federal Ministry of Education, Science, Culture and Sport developed a new curriculum in 1997 and continued refining it in 1998 and 1999. It was sent to all cantons for review in August 1999. They replied with suggested changes and the revised curriculum was launched at the start of the school year 1999-2000 in cantons with a Bosnian majority. Cantons with a Croat majority (West-Herzegovina, Herzog-Bosnia, Posavina, and part of Central Bosnia and Herzegovina-Neretva) still use the curriculum from the Republic of Croatia.

The international community criticises this use of different curricula as a form of segregation and an obstacle in the path of returning refugees. The United Nations Education, Scientific and Cultural Organisation and the Office of the High Representative engaged some experts from Heidelberg University to analyse all the curricula currently in use in Bosnia and Herzegovina. When the analysis was completed, a symposium on the curricula and the education system in Bosnia and Herzegovina was held on 7 and 8 February 2000 under the auspices of the United Nations Education, Scientific and Cultural Organisation. Amongst other things, this symposium concluded that the curricula should cover civic and human rights and obligations and contain education modules on the cultural, literary and linguistic heritage of our two entities. These modules should be ready for the curricula for the school year 2000-2001. We would stress the importance of regular meetings between entity educational ministers and representatives of the pedagogical institutions. The meetings should be supervised by the Office of the High Representative, the United Nations Education, Scientific and Cultural Organisation and the Council of Europe.

In tandem with this, from mid-1998 until May 2000, in the context of the Phare Vocational Education and Training programme, work proceeded on the strategy for secondary vocational education and training school development and the creation of modular curricula for certain occupations.

In the school year 2001-2002, experiments with modular curricula in the first and second grades of primary school continued. Modular curricula for electricians were accepted in 2001-2002 in the Federation in 12 schools, for cooks and tailors in 8 schools and for carpenters in 3 schools.

On 10 May 2000, the Federal Minister of Education and the Republika Srpska's Minister of Education signed a Declaration and Agreement on the co-ordination of the two education systems. They took full responsibility for all curricula from the school year 2000-2001 onwards. These would embrace the cultural, literary and linguistic inheritance of the three nations. Over the next few months, more work would be done on the curricula: contents would be standardised, vocational education subjects would be reduced and updated, and all schools in Bosnia and Herzegovina would study civic and human rights, religious cultures, and the Cyrillic and Latin alphabets.

As from the school year 2001-2002 all secondary schools in both entities have introduced a new subject for final grades – "Democracy and human rights". Expert groups co-ordinated proposals on literature contents, pointing out common values which will be built into future curricula of all three nations.

Existing curricula are too traditional and overloaded with facts and superfluous practical training and do not convey enough useful knowledge. Hence, the urgent need to overhaul them in the way we have described. Vocational schools must now offer more functional knowledge and must also train students for the market economy as well as teach about democracy, and European and world civilisation.

In the Republika Srpska, changes in secondary education and including vocational are consistent with the education system's overall strategy and concept of changes. The number of general education subjects in the curricula (14 to 15) has been reduced to 5 to 6.

As from 2000-2001 onwards, four pilot schools are using a new modular curriculum. The Republic's Pedagogical Institute has formed a special board to monitor and evaluate this curriculum as well as new curricula for courses in technical economics. In three or four years, this board will act on the positive results to improve the education system. By doing this, it will fulfil the tenets of the Phare Vocational Education and Training programme and invoke its standards to keep the development of vocational education and training on the right track – and firmly focused on reaching European standards.

In the Federation, curricula are prepared and put forward as suggested by the cantonal pedagogical institutes and, in the Republika Srpska, by the Republic's Pedagogical Institute.

The Standardisation Agency sets education standards. It also supervises and assesses the authority of awarded certificates. There is also a body to co-ordinate education systems throughout Bosnia and Herzegovina. Bosnian, Croatian and Serbian experts have equal influence on this body.

3.2.9 *Introduction of modular system in secondary vocational education*

In March 1998, the Phare Vocational Education and Training programme initiated a reform project containing three components:

- **Policy and strategy.** Policy and strategy of secondary education development was considered and suggested by 40 key actors - experts from both entities and from abroad. The result of their work was the Green Paper.
- **Modular curriculum production.** Six pilot schools were chosen from each entity (total of 12 schools). Two schools, one from each entity, chose one of six professions (mason, cook, electrician, tailor, baker, administrative technician). Each pair of schools has a partner school from one of the EU countries with a developed modular system for the chosen profession. Their co-operation resulted in the development of curricula.
- **Adult training.** This was implemented in the western part of the Republika Srpska and the Una-Sana canton in the Federation and focused mainly on war victims. Although the training in appropriate secondary schools was of a high standard, the adults who participated still had problems finding employment.

The EU provided additional means via a bridging programme aimed at transforming the reform plan (Green Paper) into the reform proposal (White Paper). The latter will be the basis by which the modular system will be applied to the country's education structure. The Phare project and the

bridging programme continued to mid-2001 and included internal and external evaluations. The evaluations[23] considered the programme potentially successful given the circumstances of its implementation. The programme is still fragile as it relies heavily on political will for its stable development and eventual success. Currently, this process has been held up due to a lack of political will.

Recommendations[24] as a result of the evaluations are set out below.

1. **General recommendations:**

   - To continue with providing foreign means and international help in the form of equipment and methodology in order to sustain present achievements;
   - To stimulate and implement co-operation in vocational education and training with donors more systematically;
   - To include employers in the creation and implementation of vocational education and training reform;
   - To improve links between activities on strategic (component 1) and practical implementation in schools and other training centres (components 2 and 3);
   - To organise training of employees in appropriate government institutions and keep them informed about the principles of education reforms so as to esure their help in its implementation;
   - To disseminate the results of the programme among relevant partners more widely;
   - To increase the circle of relevant partners by including the labour market, pedagogical institutes and universities which produce future teachers and politicians;
   - To allocate more responsibility to the people of Bosnia and Herzegovina so that they can assume full authority over the reform and be less dependent on foreign experts.

2. **Recommendations for Component 1:**

   - Organise public discussions on vocational education and training policy at various political and administrative levels;
   - Move rapidly from the pilot phase to institutionalise reform and ensure that the results are visible and stable;
   - In the early stages, concentrate on a few proposals (rather than numerous ones) to allow for the implementation and realisation of some of them;
   - Modify the key actor group structure and mandate by giving more authority to schools to enhance continuous learning;
   - Consider extending the role of the key actor group as a mediator between school, canton and state.

3. **Recommendations for Component 2:**

   - Set the parameters for the functioning of the modular system. Many aspects have either not been considered or have been inadequately considered such as teaching qualifications, teaching materials, level of student preparatory work;

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23 Details and results on the introduction of this project are available in the European Training Foundation report: "Evaluation of Phare programme of vocational education and training reform in Bosnia and Herzegovina", Synthesis report, April, 2001.

24 See previous footnote.

- Provide more means for the training of employed teachers in order to equip them with relevant and updated knowledge, skills and attitudes;
- Assist schools in Bosnia and Herzegovina in establishing ties with the EU for permanent partnerships;
- Allocate sufficient means and time for evaluation and supervision in the introduction of modular curriculum.

4. **Recommendations for Component 3:**

- Involve the labour market in future initiatives on adult training;
- Allocate more means and put more effort into qualifications and training needs;
- Create a network of local support agencies with the aim of relating training to employment at the local level;
- Disseminate the experiences acquired by adult education trainers in Component 3 throughout the country (for example, by organising seminars where they could share their experiences for input on future training courses);
- Use the best vocational schools (particularly those with experience in organising courses on Component 3) as regional centres for adult training;
- Treat the modular approach as a component of adult education.

3.2.10 *Legislation*

In accordance with the secondary school law[25] passed in December 1990, the country's secondary schools fall into the following categories: general education, technical and related, art, teaching, religious and vocational (three-year) secondary. Reforms emerging from this law compare favourably against the previous over-specialised approach to education.

Since 1992, the education system in Bosnia and Herzegovina has been divided. The Dayton Agreement and the country's Constitution maintain that Bosnia and Herzegovina is a state comprising two entities: the Federation of Bosnia and Herzegovina consisting of ten cantons and the Republika Srpska.

Following the Constitution of the Federation of Bosnia and Herzegovina, each canton has the authority to pass and implement education laws. The federal constitution also states that the laws of the previous system should be retained unless they conflict with the specific canton's legislation.

In brief, Bosnia and Herzegovina has a plethora of laws - from those when the country was an independent republic to the newly structured entities. Currently, there are 13 laws on vocational secondary education and one law in the District for primary and secondary schools.

1. ***Secondary school law*** Passed in 1990 and amended 1993 and 1994 ("Official papers of SRB&H", N° 39/90 and "Official papers of RB&H" N° 3/93, 24/93 and 33/94) applied according to the rulebook based on this Law, if the canton does have its own law.

25 Secondary School Law issued in "Official papers of SR Bosnia and Herzegovina", N° 39/90.

2. ***Regulation on secondary education***	"National papers of HZHB" N° 2/93,13/93,9/94 passed in 1993 and 1994 (during the war), and now applied in accordance with the rule book based on this regulation.
3. ***Secondary school law***	"Official papers of USK[26]" N° 3/97 and 11/98, applied in Una-Sana Canton.
4. ***Secondary education law***	"National papers of Posavina canton", N° 1/98, applied in Posavina Canton.
5. ***Secondary school law***	"Official papers of TPK[27]", N° 4/96, 9/97, 4/98, applied in Tuzla Canton.
6. ***Secondary school law***	"Official papers of ZDK[28]", N° 5/97, applied in Zenica-Doboj Canton.
7. ***Secondary school law***	"Official papers of BPK[29]", N° 8/99, applied in Bosnia-Podrinje Canton.
8. ***Secondary education law***	"National papers of ŽZH[30]", N° 7/97, applied in West-Herzegovina Canton.
9. ***Secondary school education law***	"Official papers of SK[31]", N° 11/98, applied in Sarajevo Canton.
10. ***Secondary education law***	"Official papers of HBŽ[32]", N° 3/98, applied in Herzeg-Bosnia Canton.
11. ***Secondary school education law***	Herzegovinian-Neretva Canton ("Official papers of HNC"), N° 11/2000
12. ***Secondary education law***	Central-Bosnian Canton ("Official papers of CBC") N° 11/2001
13. ***Law on education in primary and secondary schools in the Brčko District of Bosnia and Herzegovina***	"Official papers of the Brčko District", N° 9/01
14. ***Secondary school law***	"Official papers of Republika Srpska", N° 4/93

The establishment and role of vocational secondary schools are regulated by cantonal laws, the secondary school law in Republika Srpska, and the Law in the Brčko District, as follows:

Establishment. Any domestic socio-judicial, civic-judicial and physical body as well as foreign judicial and physical body in accordance with the law and long-term programme, can establish a secondary school.

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26 Una-Sana Canton.

27 Tuzla Canton.

28 Zenica-Doboj Canton.

29 Bosnia-Podrinje Canton.

30 West Herzegovina Canton.

31 Sarajevo Canton.

32 Herzeg-Bosnia Canton.

Thus secondary schools can be established by almost anyone or organisation. However, the Secondary School Establishment Act determines the school name, the syllabus, and other issues crucial to the working of the school. The act also sets the terms by which a school founder relates to the school.

A school can be established where it meets the following requirements:

- There are sufficient classes for the required pedagogical standards.
- There are sufficient staff to teach the curricula.
- There are the resources to deliver the curricula.
- There are school rooms, equipment and teaching tools to meet the stipulated standards.

Pedagogical standards determine the number of students in classes and the number of secondary school occupations. They also decide the number of students, classes and occupations for mixed secondary schools - a category that includes general secondary school, and technical and vocational secondary schools.

Role of vocational schools. Article 63 of the secondary school law states that vocational schools must educate full and part-time students for an appropriate occupation at the third and fourth level. The curricula cover the course for each trade or profession, the length of the course, and how it relates to general education, vocational theory and practical training.

When students reach the end of vocational school at third or fourth level, they sit a final examination that includes practical work as established by Article 69. After graduation from the third and fourth level (Article 70), students may opt for further education and take a skilled worker examination in a secondary school that is legally qualified to do so.

According to the curricula, practical classes in vocational, and technical and related subjects take place in school workshops, laboratories and other purpose-built premises for teaching and which have been equipped to meet certain standards (Article 71). Practical training may take place, when supervised by secondary school staff, in businesses, institutions and organisations that have sufficient modern equipment, technical and technological means, and other resources to meet the requirements of the curricula. An agreement between the secondary school and the business, institution or self-employed individual involved in such arrangements regulates the conditions for practical teaching.

The second law on secondary education noted above (Article 71) also states that a municipal council may, with the approval of a cantonal government, establish secondary schools as public institutions. All other suitably qualified people may also establish secondary schools as public institutions under the conditions laid down by this law. Secondary schools should be established to answer a need for secondary education in the overall interests of the canton.

Vocational schools follow a curriculum that assumes one to four years of education. At the end of one to two years of vocational school, students attain a lower vocational qualification or a secondary vocational qualification at the end of three to four years of education. Vocational schools may be technical, industrial, or specialise in a specific trade or other activities. In cantonal secondary schools, the legal approach to their establishment and the courses they offer are resolved as follows:

In the cantons of Una-Sana, Tuzla, Zenica-Doboj, Bosnian Podrinje and Sarajevo, secondary school laws follow federal secondary school law with the following minor discrepancies. All secondary schools are public institutions in the cantons of Tuzla, Una-Sana and Bosnian Podrinje when established by the respective canton assembly. In Zenica-Doboj canton it is the municipality or

canton assembly that has this prerogative and in the Sarajevo canton either the canton assembly or the religious community.

In the cantons of Posavina, West-Herzegovina and Herzeg-Bosnia, the establishment and functions of secondary vocational schools are regulated in the same way as secondary education. In the Republika Srpska, secondary school laws are now undergoing radical change. These laws regulate all the basic legislative principles of secondary and vocational schools, their establishment and function.

Current legislation impedes the modernisation of the education system. It delays the introduction of new working methods, direct partnerships, quicker implementation of standards and the education of a more flexible labour force. In short, it needs to respond urgently to changes in the economy, technology and society. Legislation should be far simpler than it is now, fairer, more decisive and should impose common standards. It should also establish the authority of certificates and diplomas, be more focused in identifying funding sources and be more direct in its dealings with private schools.

There are now, for example, 13 laws on secondary schools in the country. Although almost every question concerning the establishment and function of these schools is resolved in the same way, superfluous legislation still creates problems. For a start, there is no ruling on the level - nation, entity, canton, municipality or school - at which certain decisions should be made. Also, these laws are inconsistent with European standards and have not kept up with changes in education practice. As a result, the education system is rigid, its management and administration are poor, there is insufficient practical training in class, and acceptance of certificates vary across the country.

We must solve these problems. We need to decentralise legislation so that students from all cantons and both entities have equal educational opportunities, particularly vocational education and training. Uncohesive legislative power is an obstacle to quicker modernisation and reforms in education systems. Experiences of key actors from their study trip to Slovenia show that the best solution (bearing in mind vocational education and training schools' specific qualities) is to pass a special law to regulate these problems. It should be flexible whilst relying on existing education laws (particularly secondary education laws) and be closely connected with social partners and all sectors of employment.

It is also vital to plan and co-ordinate the school network with market needs on a national scale.

Practical training should be clearly defined as should the way students are accepted for courses and how these are financed. We also need to know the extent of obligatory contributions from state enterprises, private businesses and private craft companies.

There should be a state-wide uniform standard for class sizes, working space, workshop equipment, teaching tools for vocational theory classes and teaching staff. This standard should be consistent with that in the EU.

The curricula used in vocational secondary schools should be similar to those used in the EU. This would ensure that the diplomas and certificates issued in our schools would be recognised in other countries.

Realisation towards this end was initiated when, in May 2000, Ministers of the entities signed a Declaration to proceed with reforms of the existing parallel education systems. They also signed an agreement on a deadline for state-wide co-ordination and on ways of accomplishing this. Secondary vocational school reform is being implemented, and since September 2001, primary school and general secondary school reform have been ongoing. This agreement covered the development and implementation of a common strategy for the modernisation of primary and general secondary

education throughout the country. Twelve boards of experts from the country have been formed for curricula, teacher training, inclusive education, creation of a general education law, finance, employment of teachers, school support and supervision in schools.

In June 2001, an inaugural meeting was held and an Agreement on acceptance of a common strategy for modernisation of primary and general secondary education in Bosnia and Herzegovina was signed. In September of the same year, more than 60 participants worked intensively in five groups analysing basic problems. This project concluded that for the 2001-2005 period relevant changes in primary and general secondary education should be accomplished in three phases – preparation, implementation and consolidation – to enable the modernisation of the education sectors to reach EU standards.

3.2.11 *Weaknesses, strengths and future government priorities in initial vocational education and training*

As discussed above there are many weaknesses and no advantages in the current education systems in the country. However, within the Phare Programme, we have now embarked on a module-based curricula project for vocational education and training and this may well spread to vocational education and training schools throughout the country. This project is supervised and administered by the international community whose contribution has been vital. It will, of course, take time and effort to implement but in the long run it will prove worthwhile as education makes people more useful and knowledgeable and therefore less susceptible to political pressure.

Of the numerous education problems in Bosnia and Herzegovina, four in particular need highlighting. These are financing, network development, special needs education and support for under-developed areas.

Financing. Secondary schools were producing more educated people than the economy could absorb before the war. Even without the war, there would still have been an economic crisis which would have critically affected labour supply. Economic reforms were necessary. These would have raised the volume of production per capita from USD 3,000 to about USD 6,000 which would in turn have raised the demand for labour and accordingly tempered the blow. The war struck further blows to production capacity and the economy but, thanks to international help, economic activity reached USD 1,200 per capita. While this was barely one-third the pre-war (1986) level it was better than abject poverty. With current total fiscal capacity at no more than USD 400 per capita, the country is unable to meet its education needs. It would be more sensible to close this financial gap with long-term credits of 30 to 40 years, a grace period of 7 to 10 years and a favourable interest rate guaranteed by the state, and refunded by the educational system. By lightening the tax burden, the economy and education system could be totally transformed and the newly constituted education system would survive intact.

School network development. The present, highly decentralised education system in the Federation and the centralised one in the Republika Srpska have their strengths and weaknesses. Both systems can be developed, but only if local schools are focused on the occupations that are in demand in the most developed branches of the economy such as agriculture. At the same time, they must subcontract training for other occupations to schools in other areas.

If there is no co-ordination in the development of education, some schools in the decentralised system will produce too many people for some occupations and too few for others. And in the centralised area, local schools will not be able to respond to local needs.

It would be more practical to make the entities – rather than cantons, as is now the case in the Federation – responsible for the funding and development of secondary education. The schools should also have more autonomy. At the state level, we need a system for co-ordinating the development of specialised courses. This would be monitored and co-ordinated by the Ministry for Developing Human Resources (education, labour and employment).

Special needs education and under-developed areas. There is no region that can finance special needs education, .e. those partially or poorly educated or disabled. It would be difficult even at state level as the staff and infrastructure for some forms of special needs education are available in either one or the other entity. Now is the time to integrate their complementary resources.

Support for under-developed[33] areas. As under-developed areas have no resources for economic development or employment, we must generate at state level a system for developing these municipalities and regions.

One solution may be to form state funds for regional and social development as in the EU. Thus when Bosnia and Herzegovina join the EU - which is likely in the future – the country, as a partner, can rely on support from EU funds.

3.3 *Modernisation of continuing vocational training*

There are no data on the number of students who drop out of primary school as it is compulsory. And if they do drop out they will still have to complete primary education at some other stage of their life. Secondary and higher education are not compulsory and the incidence of students abandoning their studies is much higher. If students have completed their education, they are at least prepared for the kind of employment that they trained for. However, if they have only completed primary school, they would not have had any occupational skill and can only work as "unqualified workers".

Almost all occupations require more training after the completion of education. This usually occurs at the start of a new job in the employer's premises. It is generally brief, funded by the employer and should be seen as a crash course in working conditions and technology.

There is no precise definition for continuing vocational training but it covers training, extra training and re-training in specifically planned units. This training may take place at the businesses concerned or in registered education institutions. Its aim is to increase the participants' employment potential by learning new skills or expanding existing knowledge. Those who apply for such training may be employed or unemployed but they are usually of working age. Until the mid-1960s, adult education in Bosnia and Herzegovina was implemented through the so-called Workers Universities and in businesses. However, as the education system developed, and particularly after the education reforms of the early 1970s, adult education came under the umbrella of secondary and higher institutions. The pre-war crisis slowed down the technological development of the economy and the progress of the education system. The war obliterated the economy, but the education system continued to give people better qualifications. Post-war adult education has devolved into individual initiative.

At present, we can only view this form of training as a basis for a fresh start but as the secondary education system is being transformed, it is possible to rationalise the two forms of education.

33 There is no official definition of an under-developed area. For the purpose of this analysis, the term is used for areas with under-average employment.

3.3.1 The supply of continuing vocational training

The provision of continuing vocational training may be available at:

- General secondary and higher schools, and universities;
- Specialised schools, and training and re-training centres;
- Businesses;
- Non-governmental sector.

Depending on the nature of the courses and the level of knowledge required regular secondary schools - whether state, private, general or vocational - as well as higher schools and universities are able to provide continuing vocational training. Secondary schools could meet the demand for practical knowledge, and higher schools and universities could satisfy the need for more creative courses. Currently, research institutes provide the highest level of continuing vocational training and the best teachers. However, while they have the staff and infrastructure to offer an impressive range of subjects and courses, the courses are too long and run along strictly traditional lines. Furthermore, when staff are funded only from state sources, they are not motivated to include flexible learning methods.

Private specialised schools and centres generally provide all forms of training for the required period, place and academic standard. Most of these teach languages or computer training on a commercial basis. However, they have a low commitment to a high standard of training and the authorised state bodies rarely endorse the certificates issued.

Until the mid-1970s, there were centres for training and re-training the unemployed at the Employment Offices. Initially, they concentrated on specific commercial activities, which were later taken over by ordinary secondary schools. The centres provided one- to three-month courses for specific occupations with the training experience in places that would be similar to the participants' eventual place of employment. On completion of the course, participants were given widely-accepted certificates that increased their opportunities for employment. The courses were also highly competitive and helped reduce unemployment. However, they were fairly expensive partly because the costs covered the travel and accommodation of each participant.

After the war, with the help of the International Labour Organisation and donor countries, a few such centres were established. But at present, given the poor state of the economy, there is little incentive in training for industrial occupations which are in little demand. Other centres have proven useful by training people for work outside the country as their certificates are accepted internationally.

When the economy was buoyant, businesses had in-house training for their employees or sent them on courses. Now, given the current slow pace of privatisation, such training is sporadic but, once the economy recovers, it will be a permanent feature. Post-war, the training provided by non-governmental organisations has become increasingly important. It first emerged in support of services offered by the international community. Examples include training or re-training projects organised by the International Labour Organisation and United States Agency for International Development. These initiatives then became independent non-governmental units offering seminars in training and re-training. The two most substantial are the Enterprise Development Agency in Banjaluka in the Republika Srpska and its equivalent at Taldi (Tuzla) in the Federation. This sector will soon achieve the impact it already enjoys world-wide.

As in other parts of the world, distance learning is a relatively new phenomenon in this country. Through computer access it enables people to study full or part-time and at a low cost. There are now organisations offering this form of training and its development presents a daunting challenge to the country.

There is a shortage of training centres for those with special needs and/or are disabled. This reflects the government's reluctance to support businesses that might provide employment for these people.

Clearly, education in its current form is unlikely to change unless subject to pressure from competition. At present, there is no demand for people with adult education. Until this happens, mass employment will remain a dream. Funds must be allocated to educate those who have problems in finding jobs. There should also be at least two centres for distance learning with pilot centres in existing schools that teach occupations that are in demand. These could well be a project for the Bosnia and Herzegovina National Observatory or for the Phare Programme.

There is an urgent need for continuous or life-long education as it provides cultural grounding and introduces another approach to learning. More importantly, given the speed with which science advances and technology changes, it inculcates the need for rapid adaptation to changes and retention of new information. This applies particularly to vocational education and training in its use of technology.

3.3.2 *The demand for continuing vocational training*

Young people and those of working age make individual requests for this type of training. But, as far as funding and future employment are concerned, the economy and the public sector, including state administration, carry much more weight. There is often a dilemma in the choice of school or course between the education an individual prefers and one that would provide employment. However, it is worth noting that in all industrial societies within the short and medium term, it is the economic activity that generates the demand for labour and it is in the interest of the population to have education that matches the demand. Education that does not lead to employment leads to social support and this is a burden on the state. Conversely, it is in the state's interest to create employment opportunities for its people thereby taking them off social support and turning them into taxpayers.

3.3.3 *Employee participation in vocational training sponsored by businesses*

There are no data on those who participate in practical vocational training. However, given the poor state of the economy, there is little possibility of attracting more funds for training.

In recent years, various businesses in the Republika Srpska - mainly in textiles, wood-processing and engineering - have funded the education and training of their workers. The training was largely financed by donations. It prepared "unqualified workers" for the third level[34] of a skill and helped increase their efficiency. Businesses and employees were both keen on the advantages of this form of vocational training.

Although no accurate figure is obtainable, feedback from secondary vocational schools suggests some 400 to 500 employees have received this form of education. This range of figures is probably

34 See Scheme 1 - Education in Bosnia and Herzegovina.

accurate since the information comes from schools which organised the training jointly with the businesses and the latter provided the premises for the practical part of the training.

Research[35] conducted in small- and medium-sized, privately-owned businesses in March 2000 revealed that:

- owners of private businesses showed little interest in existing training programmes;
- training programmes are unsubstantial and irrelevant to the needs of small- and medium-sized businesses;
- the training organisations/agencies' network is under-developed at the local level;
- foreign advisers who only adapt from their own countries fail to provide the right sort of training;
- post-training - there was no follow up to chart participants' further needs.

This research was conducted in 75 small- and medium-sized businesses in the Banjaluka area. It showed that 85.33% were willing to enrol in courses that train participants to promote their own businesses. If the training was of a high standard and reasonably priced, 5.33% would commit themselves to it. However, 9.33% rejected the training on the grounds that it was irrelevant as their employees had acquired the knowledge, skills or experience from school or through work.

Given the country's prevailing economic condition, there will be an intensive growth of micro, small and medium enterprises as a result of . These enterprises will require permanent and emphasised need for employees' education. The country's education system, particularly vocational education, should be prepared to offer a high standard of education and anticipate new professions that are in demand.

3.3.4 *Participation of the unemployed in vocational training*

Earlier we discussed vocational training for the unemployed. Such training is largely for jobs in agriculture, civil engineering and information technology. It is usually financed by donations and the Public Employment Services and, less often, by businesses.

Unemployed youths often try to improve their knowledge by attending computer courses, learning foreign languages (in particular English), at secondary and higher education levels. It is estimated that almost half of those employed in international organisations attended courses on their own initiative and at their own expense before they found a job. Although some of these organisations are withdrawing, resulting in fewer jobs, these people are likely to find jobs soon in domestic organisations which require the experience gained in the international organisations.

Unfortunately, many educated youths have little hope of getting a job and little faith in the country's future and they constitute the "brain-drain" by leaving the country to find employment elsewhere. They have no expectations of an easy life in another country but expect more political stability and better opportunities for employment. Although the data in chapter 1.3 (Demography) may be exaggerated, the exodus is a serious problem.

An increasing number of unemployed youths are undergoing various forms of education and training. Many are learning foreign languages or computer skills - qualifications that guarantee quick employment. There are no data on the numbers as most are studying in the private sector. However, the fact that 10,000 mainly unemployed young people in the country have been educated

35 EDA (Enterprise Development Agency) Banja Luka.

in secondary vocational schools suggests that they are highly motivated and are prepared to pay their way through further education and training to increase their employment potential.

In the Republika Srpska, some non-governmental and international organisations conduct intensive six-month courses to provide training for jobs in demand. These courses held in a few secondary schools comprise 30% vocational theory and 70% practical classes. They are financed by international humanitarian organisations and attended by students who have completed their third or fourth year at school. During the course, the students receive a grant in the form of six months' pay from their current or prospective employer.

The current random approach to adult education confirms the general view that secondary vocational schools should become centres equipped with the staff and resources to offer a variety of carefully defined courses for vocational education and training.

3.3.5 *Responsible bodies*

Until the recent war, enterprises and the Public Employment Services were responsible for financing the training, additional training and re-training of adults, and education institutions were responsible for the quality of education.

In the period between the early 1950s and the economic crisis of the early 1980s when the economy was developing at one of the fastest rate in the world, enterprises in this country had strong responsibility and interest for additional training and re-training of its employees. A few research institutes were established at this time to keep abreast of the most recent developments in the enterprise economy.[36]

Unemployed adults were given the opportunity for re-training and additional training in 12 training centres, managed and financed by the Public Employment Services. These centres also provided training for those who were prepared (by international agreements) to work abroad. The Public Employment Services had financial responsibility for training and was managed by representatives of the employers (economic councils), the employed (trade unions), the government and the unemployed.

Employed and unemployed adults could enrol and pay for part-time training in various schools for their professional advancement.

With the introduction of the "specialised education"[37] system, adult training centres were transferred to new schools responsible for the quality of education while Public Employment Services had the task of financing the small number of long-term unemployed.

As the economic crisis developed and enterprises collapsed, the number of unemployed increased. This resulted in the Law on "New Employees" which made it mandatory for all enterprises with more than 50 employees to accept new employees for six to twelve months training, after which it was difficult to dismiss them.

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36 An illustrative example is that of the enterprise "Energoinvest" which invested in the establishment of the Electro-technical University. Its curriculum was co-ordinated with the development needs of Energoinvest. The better students were given tasks from production department for their final examination. After graduation they were employed in the enterprise solving production problems and drawing from their experiences in their final examination work. There are similar examples from other enterprises.

37 The term "specialised schools" refers to a specific form of secondary education, which was built on the optimistic conviction that the economy would have continued expanding as it had previously and had narrowly defined professions such as "Tailor of upper parts of shoes".

The most important progress was achieved in the development of the active employment policy which was the responsibility of the Public Employment Services. A special law regulated the introduction of an employment contribution (1% of an employee's wage) handled by the Public Employment Services. This was used for the development of an active employment policy based on the French and German models and included additional training and re-training of adults, financing of micro and small employment projects and maintaining the existing employment levels. The only institution responsible for training and re-training was the Public Employment Services.

After the war, three public employment services are responsible for adult employment - a period when unemployment far exceeds employment and with a reduced contribution rate for employment insurance.[38] These means are insufficient in every respect.

There is neither law nor budget[39] for adult education in any region or municipality. There is no authority at any level with a fully developed employment programme or funds to support the disabled and their employment needs. Tax privileges (i.e. no tax) apply only to new businesses for the first five years and after that the full tax rate is 35%. Only the secondary education sector has social partners (such as the boards of employers, employee committees, representatives of the unemployed and education providers) to generate more employment and adapt education to the economic system.

3.3.6 *Financing*

Employers are wholly responsible for adult education. Some other forms of funding are:

- World Bank credits for re-training demobilised soldiers (Fund for Development and Employment in the Republika Srpska), war invalids, and families of dead soldiers;
- Current measures as enacted through the Public Employment Services for the unemployed.

The World Bank approved a credit of USD 2 million for the first project conducted by a special unit for implementation from the Training and Employment Foundation established by United States Department of Labour. The project has been completed and its continuation through analogue donating projects is now in progress.

The unemployed who have registered at the public employment agency have access to two forms of support:

- Enrolment for courses at training or re-training , or at regular or pilot schools. The courses cover job-seeking, computer training and various occupational skills. There is no information on the cost of these courses.
- Enrolment on special training and re-training projects prepared by businesses and financed by the public services. There is no information available on the costs.

3.3.7 *Social discussions and involvement of social partners*

General discussions and those between social partners are rare in this area. In Bosnia and Herzegovina, only two kinds of social discussion have proved effective. The first takes place

38 The annual contribution for unemployment insurance is DM 36 per capita, with real unemployment at more than 40% compared to EU countries where the contribution is DM 1000 -1500 and an average of 8.5% unemployment.

39 In October 2001, the Government of the Federation of Bosnia and Herzegovina decided on employment support measures for 2002.

between representatives of social partners - and is part of the Phare Vocational Education and Training project for pilot secondary schools. The project is lead by a steering committee comprising representatives of employers, trade unions, the unemployed, government representatives and the schools. The 40 representatives are divided into eight working groups. The second form of discussion is somewhat similar to a pre-war practice whereby fairly advanced talks were held between partners in the Employment Office. Representatives of employers (chamber of commerce), trade unions, the unemployed and government bodies comprised a discussion group subdivided into commissioning and working units. Post-war, this structure only survives in that part of the Federation with a Bosnian majority.

Legal regulations largely overlook social discussions and social partnership as ways of building up a society. Such discussions are not covered by the Labour Law or the Employment Law (in the parliamentary procedure). There is no trend towards implementing International Labour Organisation conventions.

3.3.8 *Curricula development*

There is no specific curriculum for adult education. Enterprises that submit requests to public services for help in training or re-training staff create their own curricula and do not expect certificates.

Training that takes place in training and re-training centres of the Public Employment Services is in accordance with specific curricula. This refers to the centres at Bihac and Goražde that implement the International Labour Organisation curriculum and the Centre in Olovo that implements the Danish curriculum - the country that both founded and funded it. While the skills acquired at these centres have a practical value, they carry no legal authority.

3.3.9 *Assessment and certification of skills (including access to formal qualifications and diplomas)*

Certificates are issued by all organisations engaged in adult education. They usually provide proof of attendance at a course, but do not attest to a level of knowledge or skill. When a certificate is used for finding employment, it is for the potential employer to decide on its worth.

When courses are held in a business, under Public Employment Services control, or in centres under the supervision of the International Labour Organisation, the certificates awarded to participants are authentic documents. But these are not considered the equivalent of certificates for courses or achieved academic levels in schools. However, they carry more weight abroad where their bearers are more likely to be employed than in their own country. If someone attends a course outside school, he or she will find that such a course does not cover the whole curriculum. So, if he or she wants a "proper" certificate, he or she must complete the course at a regular school at his or her own expense. Such cases rarely occur.

3.3.10 *Legislation*

It is impossible and unnecessary to legislate for all types of education, education courses and level. But we do need control over the initial education needed for work and for continuing education during working years. We must also define a way of financing both initial vocational education and

training and adult education. We must identify ways and means of extracting state support (.e. from the budget) and, when unemployment insurance funds are inadequate, we must equip the unemployed for work by giving them extra training.

In Bosnia and Herzegovina, new regulations for regular secondary and higher education have only just come on stream. One problem is that, for education in general, there is no regulation about the particular character of each system and how it will fit into European standards. Nor is there a law to regulate adult education for those who abandon education whether or not they have found work.

An acceptable structure for the education system should start - in the light of the Brussels Declaration that a Ministry for Human Resources Development must be launched at state level in Bosnia and Herzegovina - with the aim of integrating education and work. As this is still being planned, we will have to wait a long time for any tangible results, particularly in adult education.

3.3.10 *Weaknesses, strengths and future government priorities in continuing vocational education*

There is no document at any administrative level that seriously addresses the problem of adult education. Such an initiative is left to businesses and to the employed and unemployed. Activities mentioned earlier of the Public Employment Services on training and re-training suggest only that the measures and methods for such education are known but they are not given the attention they deserve because resources are so limited.

Government bodies at all levels are mostly indifferent to adult education. This attitude could change if the supply and demand for labour were balanced world-wide, but slightly unbalanced at sector level. Imbalance is, unfortunately, high both globally and in sectors. So we need measures for:

- increasing labour demand by developing the economy;
- transforming the education system and its structure (initial vocational education training system arrangement);
- stimulating education with employment as a final goal (adult education system arrangement);
- supporting labour mobility and anti-discrimination (employment programmes).

Elaboration on each group would require more time and space, although it would seem futile as the general political climate does not support a serious discussion on this subject.

3.4 *Links between initial vocational education and training and continuing vocational education*

Education in the regular system and adult education (continuing vocational training) are two key sub-systems. We need to bring adult education at least up to the level and standard of initial vocational education and training as our workforce urgently needs an injection of better qualified people. In the long term, Bosnia and Herzegovina will have to formulate an adult education policy complete with details on the ways, means and staff to achieve this. It should also include realistic employment programmes and state the funds needed for new workplaces and social subsidies.

As far as qualifications and skills are concerned, more consistency and flexibility are needed. Achieving this will be a long, complex business, but the challenge in pioneering such a venture

would be worthwhile. If it is adaptable at this first stage, it will be possible to extend it later – inside or outside of existing education institutions (e.g. in the UK). However, it is more important for people to to obtain employment through their own merit rather than rely on access to work through some legal arrangement.

3.5 *Vocational guidance and counselling*

The pre-war education system also offered help to students to choose an occupation when they reach the final class of primary education (eighth class). This was - and still is - premature as students should be at least 15 or 16 and have some work experience, before making such a decision. To effect this, we would have to grade secondary education in a similar way to the Scandinavian and we expect a forthcoming forum to tackle this issue. As it is, parents often make the decisions for their children.

While a school psychologist can provide counselling by analysing a student's talent and helping him or her to make a career decision, it is also important to make other information available such as those on likely schools, chances of employment, salaries in certain occupations, rising standards, and so on, obtainable. To gather this information, we urgently need a data collection system for information on schools and the labour market among other things.

4. Management training

Poor market research on the part of private entrepreneurs is an acute problem in the country. This was revealed in a study[40] conducted in the first half of 2001. This problem is symptomatic of the change to a full market economy as private entrepreneurs and enterprises alike have little idea on how to find new domestic and international markets for their products. This is one aspect that could be incorporated in management training. Privatised enterprises which are not small businesses need training into management and human resources geared to a market economy. Often, these enterprises have inherited the management structure of the socialist hierachy and its employee policy. The restructuring of recently privatised enterprises means that the management has to concentrate on market details such as sale, purchase, production policy and human resources. A few projects sponsored by the United Kingdom's Department for International Development and the United States Agency for International Development have offered consultative help in the restructuring of enterprises.

Enterprise development agencies are beginning to deal with local government development issues. The seminars organised by the agencies were well received as indicated by the high attendance. In early 2001, seminars on local economic development began to identify needs and possibilities drawing parallels with the development strategy for the local community or municipality. The primary aim of these seminars is to encourage representatives from municipalities and youth groups, and leading private entrepreneurs to create a positive business environment which would increase employment rather than wait for development directives from the small and medium enterprise sector to percolate down to local level. Municipalities are likely to be more supportive of private businesses if they realise that the resultant increase in employment will be of benefit to the municipal budget. New and current entrepreneurs are in need of management training and consultation to help their firms.

In most cases, the seminar project is a joint effort which includes all influential actors in the business environment. The basic stages are:

- Diagnosis of the present state
- Capacity building in the business environment
- Role and importance of local economic development strategic planning
- Operational planning and action plan development

At the end of these seminars, all municipalities will have formed a team to work on local economic development and business promotion with projects financially supported by municipalities and local community donors. These projects are directly involved in the promotion of private entrepreneurship, employment and co-ordination of municipal needs and activities with its economic development. This is a positive example of municipal influence on the important aspects of its economic development.

In the Republika Srpska, its Republic Economic Council is active in organising business seminars and training and supporting the development of the small and medium sized enterprise sector. Its

40 Research conducted by Enterprise Development Agency - "EDA" Banja Luka

Ministry of Foreign Economic Affairs has set up a database on financial and non-financial institutions helping small and medium-sized enterprise sector the development and supervising development of related projects. The project for supporting the small and medium-sized enterprise sector was jointly initiated by the Swiss government and that of the Republika Srpska.

A basic flaw in the current education system is that it trains people for employment in large organisations. While solid skills are gained in this area, their application is limited. Only a few schools teach the students how to put their knowledge to practical use.

All occupations require some management of business. It would be more useful to open such training to all potential entrepreneurs rather than confine it to the new education system. This training should include:

- drawing up a business plan;
- marketing and sale of products;
- technology management and work organisation;
- managing costs and finances;
- quality management and quality control;
- European standards, environmental protection and stable development;
- survival methods in an unstable environment.

In Bosnia and Herzegovina, there should also be a support system for new micro and small businesses. This should involve the following:

- building a network of technological parks and special centres offering technical and related services;
- developing a network of self-sustaining local communities for rural development support;
- developing a network of management training centres including mobile units;
- establishing a centre for distance learning initially for developing curricula for micro and small business management.

In recent years, most universities in the country have tried to develop business schools to disseminate information on small businesses. Unfortunately, these courses are too theoretical and fail to communicate more practical knowledge. Hence the need for a network of educational institutions as listed above. These institutions will be able to provide useful economic information that could reduce bad investments and this would be in the interest of the State, i.e., fewer bad investments; more people able to pay taxes and a sharp fall in social security payments. All levels of authority and influence should thus support the development of an economic infrastructure for small businesses.

The programme for vocational education development in Bosnia and Herzegovina (2002-2006) in preparation in late 2001, should lead to the following:

- a modern, high standard, functional, and flexible vocational education,
- close links between general and vocational education and universities, pedagogical institutes and other social partners,
- establishing of micro and small enterprises for a rapid increase in employment,
- reduced reliance on international organisations with increased domestic responsibility for leadership and support of vocational education development to approach European standards.

5. Vocational education and training teachers/trainers, managers and administrators

5.1 *Teachers, schools/training institution managers and administrators*

Secondary school laws stipulate the qualifications of teachers necessary before they are allowed to teach specific subjects. This is covered by the rulebook for the vocational qualification and pedagogical and psychological education of teachers.

The curriculum sets three strict conditions for teaching in secondary vocational schools. These are:

- General education subjects can only be taught by teachers (professors) who have completed studies in one or two disciplines and have a university-level qualification in specialised training;
- Vocational subjects covering specific aspects of all occupations can only be taught by qualified engineers or professors in appropriate sectors;
- A course that consists of practical classes or training in vocational school can be taught by:
  - Anyone with adequate qualifications at university level in specialised training, who also meets the special conditions stipulated by the curriculum;
  - Vocational teachers competent at taking practical classes, with an advanced (vocational school) qualification for specialised training in a related occupation that takes account of the curriculum's special conditions;
  - Anyone with an intermediate (vocational school) qualification for training in craft skills or another specialised area, an assistant or practical training teacher.

Most teachers in vocational secondary schools teach one class of students, managing most activities in that class. They need some management ability to cope successfuly with the various activities. These days, teachers have to deal with additional problems such as drugs, violence, etc. School managers (head teachers) are not particularly trained for their role. The promotion of school management involves training on educational issues as well as on management issues. Depending on the school size, head teachers may be provided with help - an assistant and pedagogue but, rarely, a sociologist - towards the organisation of the school and curriculum. Those nominated to provide assistance are experienced teachers with university-level specialist training.

The average salary of teaching staff in secondary vocational schools is KM 450 to 600.

5.2 *Pre-service training of teachers and trainers*

The three teaching courses stated earlier cover secondary vocational schools. For general education subjects, the area where particular occupations overlap, teachers are educated at various pedagogical universities.

There are eight colleges and five pedagogical academies covering 56 different courses in five universities (Bihac, Mostar I., Mostar II, Sarajevo and Tuzla). Courses at these universities last four years. After the final examination, the student acquires the title of "professor" of his chosen subject. Studies in pedagogical academies last two years. Students attend lectures and sit examinations on teaching subjects as well as on pedagogy and psychology. On completion, they can teach in primary schools.

Teachers of theoretical vocational subjects are usually graduates of technical and other colleges. They have to sit for an examination at the college or at the Institute of Education on pedagogy and psychology in their first or second year. These examinations are regulated by a special act.

Teachers giving practical training do not go through special programmes in secondary school. After being selected for training in practical classes, teachers have to pass examinations on pedagogy and psychology subjects within a specific period set by law.

In the Republika Srpska, a four-year course for primary school teachers at Teaching College has replaced a two-year course at pedagogical academies.

The pool of available teachers in the Federation is unsatisfactory as a result of the war and the emigration of the educated. There are 600 teachers in secondary schools with insufficient education or 5% of the total number (7,432), including 126 English language teachers, 90 mathematics teachers and 74 German language teachers.

A similar problem exists in primary schools where 2,346 teachers (17%) out of 13,294 in the Federation do not have adequate specialist training. They include 508 English language teachers, 146 art teachers and 130 physical education teachers. Particularly disturbing in the lower grades (I-IV) of primary school is a shortage of some 600 teachers.

In the Republika Srpska, the Ministry of Education has initiated a legal change in university level education which requires the introduction of grades in education. Meanwhile, preparations for curricula changes for colleges are in progress. This includes a two-year course after secondary school for training primary school teachers. Radical teaching methodological changes are expected which should prepare teachers for pro-active teaching rather than just lecturing. They would be trained to be understanding, receptive to dialogue and critical opinion and to develop research abilities rather than be passive recipients of knowledge. Schools would thus be more functional in teaching useful knowledge and skills that are in touch with the economic requirements of the country.

5.3 *In-service training of teachers and trainers*

All three kinds of teachers have to pass a vocational examination within two years of starting employment. They also need to pass subjects on pedagogy and psychology unless these were part of their previous studies.

Whereas pre-war vocational examinations were conducted at state level by the appropriate universities, they are now under the aegis of the cantons. Before the examination, teachers have to

undergo two years training. During this period, the candidate observes classes in a school taken by his or her mentor (supervisor) and also teaches a class observed by the mentor with records kept on special forms.

The examination is both written and oral. The president of the examination board is a university professor in an appropriate field, usually methodology. The candidate holds an experimental practical class. Later, this class is analysed, and there are questions about the way in which it was conducted. The head teacher checks the candidate's grasp of education regulations and school administration. After successfully passing the examination, the trainee receives a certificate that vouches for his or her ability to work independently, i.e., unsupervised.

In the Federation, it is largely up to the individual to acquire further vocational advanced training to update their knowledge. Occasionally, there are seminars focused on certain vocational subjects which usually consist of lectures aimed at keeping teachers informed about their profession. It would be useful for teachers if they could spend time in a teaching centre or successful business where they could learn to operate new technologies in their field. With modern teaching equipment, teachers could meet the curricula demands more successfully which would lead to improved classes and better qualifications for further education or employment for the students. Within the cantons, inconsistent criteria and regulations could have a negative impact on secondary school graduates and trainee teachers. This should be resolved so that key issues are properly co-ordinated and could ensure that students and teachers can access further education.

During the school year, teachers have to deliver one vocational lecture at a specific school level. Every two years in the Federation, teachers are assessed and given marks. These are awarded for their teaching ability and for their knowledge. Teachers are also marked by three others: an education advisor in an appropriate occupation who supervises the teacher in school, the head teacher and the organiser of the vocational school teachers' council. If a teacher receives poor marks in two consecutive assessments, he or she loses his or her job.

In the Republika Srpska, the rules state that secondary school teachers have to take a vocational examination within two years of starting employment. This examination includes the methodology of teaching, pedagogy and psychology, the Constitution and education regulations. The examination is usually conducted in an institution of further education before a vocational board nominated by the Minister of Education.

School supervisors and pedagogical inspectors oversee the work of teachers. Teachers are also required during their first two years to undertake a project of their own which is also supervised. At the start of each school year and in three- to five-day seminars, the Republic Pedagogical Institute advises teachers on changes in the profession.

The rules on vocational training and advancement of teachers and assistants note that teachers can progress from mentor to counsellor to higher counsellor by taking a degree at each stage. Such advances are materially rewarded.

After passing the vocational examination, teachers receive a certificate vouching for their ability to work unsupervised. Each time they attend a seminar, usually with a specific theme, they receive a certificate. There is thus a certificate for every type of training.

The Republika Srpska's Pedagogical Institute plans and runs seminars and consultations. Schools are now responsible for funding vocational training where previously municipalities were legally responsible.

Teachers have the most important role in education changes and it is logical that their training should be more diverse, continuous and well paid.

6. Research on vocational education and training

Until the war, there was some research into professional education and training. The Community of Self-managing Organisations for Secondary Education financed and undertook research on secondary school education and the Employment Office on adult education. Pedagogical institutes specialising in education then used the research findings from schools to improve training methods. With the economic crisis, all further research was disrupted. The next crisis was the war which destroyed the school infrastructure. However, the Republika Srpska is slightly better off than the Federation as it still has remnants of a school infrastructure.

Today, there is no research into the relationship between education and the economy. Nor is there an institution at the national level that could finance or conduct such research to solve the problems posed by our irrational education system and its unwieldy structure. There is also doubt as to whether education institutions in underdeveloped regions will survive and there is as yet no systematic approach for educating the disabled. Furthermore, there is no agreed thrust in education development, and training has proceeded without research into European and global experiences - a prelude vital to selecting the best school system.

There is also little systematic research into adult education. The post-war education centres that have appeared are projects initiated for the country by foreign organisations and financed by the EU. Research, as has been stressed several times is crucial but it requires resources which the education system simply does not have. Given the situation, it is difficult to reach a political agreement about the overall need for research, let alone its particular character and form.

7. International co-operation on initial and continuing vocational training modernisation

The world community has focused on consolidating the peace process in the country after the war through ethnic reconciliation, aid for returning refugees and displaced people as well as establishing institutions, maintaining democracy and sustaining economic recovery so that we can attain European standards and principles. For these, our main support came from the EU and the World Bank.

Of 2.6 billion[41] Euro given by the EU to Bosnia and Herzegovina between 1991 and 2000, only 3% were invested in education where it went into school reconstruction and the Tempus programme for inter-university co-operation. Some European countries also financed special schemes that they chose with their particular priorities. The Phare programme includes only the vocational education and training project at secondary education level. This pilot project, set up by Danish experts working with 40 indigenous experts, launched a modular system of education in six schools in this country which were paired with six schools abroad. Two years of this partnership resulted in a Green Paper[42] on the "Strategy and Politics of Reform in Vocational Education and Training in Bosnia and Herzegovina". This marked the end of the first phase of the introduction of the system.

Co-operation and work on secondary education development have lasted through 2001. Among other things, an agreement was drawn for a cohesive legislation for entities. This means that in the near future, there would be separate laws for vocational education and general education.

In the development of a flexible education system and bearing in mind differences in such terms as adult education, permanent education and life-long learning with all its shaded meanings, our suggestion is to shorten intensive adult education since it affects employment.

In the Federation, a secondary school specialising in construction (civil engineering) has been rebuilt in Olovo. This school offers modular education to expedite the entry of students into employment. It is financed and run by the Danes.

To finance the training and employment of demobilised soldiers, disabled veterans and the dependents of dead soldiers, the World Bank credited the Government with donations from the United States Government. This was to be swiftly directed into restoration, reconstruction, demobilisation and reintegration. To this end, units were specially formed with the United States Department of Labor advising on their establishment and methods of working and assessment.

The same project encompassed the launch of a special project to set up an information system for the labour market. All municipal employment offices received basic equipment to register supply and demand. Uniform methodology and classification resurfaced. They were in full accord with the conventions and recommendations of the International Labour Organisation and experts from the

41 Data from website http://europa.eu.int/comm/external-relations

42 Phare Programme, Vocational Education and Training, Bosnia and Herzegovina: Strategy and policy of reform of Vocational Education and Training in Bosnia and Herzegovina, Green Paper, Spring 2000.

United States Department of Labor supervised their implementation. However, the system is not part of a network. The information it provides is not directly accessible to employers and unemployed and the data cannot be collated on a state and national level. All this demonstrates the need for more effort in this area but necessary funds have yet to be identified.

Apart from the activities above, International Labour Organisation experts were involved in founding and managing two centres for training unemployed adults. The first, in Bihac, produced excellent results; the second, in Goražde (in the Federation) was less successful. It is estimated that apart from adult education in regular secondary schools, it will be necessary to establish about ten new centres nationwide. But, at present, we do not have the resources or help from foreign institutions for this. Together with proposals in the White Paper, the group analysing the labour market and high unemployment, suggested the establishment of a state labour market agency as a co-ordinator between vocational education and all social partners. Such an agency should provide analyses and realistic indicators to correct and direct vocational education development towards quicker employment.

8. Role of the National Observatory

Discussions on the national role of the Observatory continue between authorities in Bosnia and Herzegovina and their social partners. Both parties support the development of the Observatory so that it can:

- gather, analyse, assess and disseminate information on developments in vocational education and training and the labour market in Bosnia and Herzegovina, initiate reforms and assess these changes;
- collect various national and international information relating to vocational education and training and the labour market;
- conduct in-depth studies and within a few months draw up policy and evaluation papers as background information to help the national authorities design new policy measures in vocational education and training;
- form a network of institutions in education and the labour market for data collection and convey the data to institutions and social partners.

9. Conclusions: challenges and further needs

Previous chapters have provided analyses and conclusions and defined the challenges posed by future development and future needs. All the measures required in education can be summarised as (1) measures attainable in the framework of secondary vocational education, (2) measures that should be implemented at the entity level to improve the employment rate, and (3) general measures that can be developed and implemented at the country level.

9.1 *Measures in vocational secondary school education system*

The following are the feasible recommendations proposed by the vocational secondary school education modernisation project[43] which were listed previously

1. General recommendations:

- To continue with providing foreign means and international help in the form of equipment and methodology in order to sustain present achievements;
- To stimulate and implement co-operation in vocational education and training with donors; more systematically
- To include employers in the creation and implementation of vocational education and training reform;
- To improve links between activities on strategic (component 1) and practical implementation in schools and other training centres (components 2 and 3);
- To organise training of employees in appropriate government institutions and keep them informed about the principles of education reforms so as to ensure their help in its implementation;
- To disseminate the results of the programme among relevant partners more widely;
- To increase the circle of relevant partners by including the labour market, pedagogical institutes and universities which produce future teachers and politicians;
- To allocate more responsibility to the people of Bosnia and Herzegovina so that they can assume full authority over the reform and be less dependent on foreign experts.

43 Evaluation of Phare Vocational Training and Education Reform Programme in Bosnia and Herzegovina, Deloitte and Touche, April 2001.

2. **Recommendations for Component 1:**

   - Organise public discussions on vocational education and training policy at various political and administrative levels;
   - Move rapidly from the pilot phase to institutionalise reform and ensure that the results are visible and stable;
   - In the early stages, concentrate on a few proposals (rather than numerous ones) to allow for the implementation and realisation of some of them;
   - To modify the key actor group structure and mandate by giving more authority to schools to enhance continuing learning;
   - To consider extending the role of the key actor group as a mediator between school, canton and state.

3. **Recommendations for Component 2:**

   - Set the parameters for the functioning of the modular system. Many aspects have either not been considered or have been inadequately considered such as teaching qualifications, teaching materials, level of student preparatory work;
   - Provide more means for the training of employed teachers in order to equip them with relevant and updated knowledge, skills and attitudes;
   - Assist schools in Bosnia and Herzegovina in establishing ties with the EU for permanent partnerships;
   - Allocate sufficient means and time for evaluation and supervision in the introduction of modular curricula.

4. **Recommendations for Component 3:**

   - Involve the labour market in future initiatives on adult training;
   - Allocate more means and put more effort into analysing qualifications and training needs;
   - Create a network of local support agencies with the aim of relating training to employment at local level;
   - Disseminate the experiences acquired by adult education trainers in Component 3 throughout the country (for example, by organising seminars where they could share their experiences for input on future training courses);
   - Use the best vocational schools (particularly those with experience in organising courses on Component 3) as regional centres for adult training;
   - Treat the modular approach as a component of adult education.

The list above was followed by a summary of all the general and specific measures needed if education is to improve society. These were to be supplemented with further measures in education. The implementation of these measures either separately or together will be an enormous challenge for our society.

9.2 *Measures to increase of employability in the labour market*

The Employment Office list shows that for every new job vacancy, there are eight new applicants joining an existing queue of almost 400. This means that 87.5% of school-leavers looking for their first job, are rejected by employers for want of experience. Discrimination confronts 98% of the unemployed and it covers race, gender, vocation and numerous other issues. With such high unemployment, the only solution is to create more jobs by reviving the economy. To do this, we must[44]:

a) Make funds available to businesses for privatisation. This will allow them to raise their capital and privatise - at present, they receive no funds from the economy to do this. For the same reason, accomodation destined for privatisation should be transferred from the state to private enterprise and then sold. This would speed economic recovery.

b) Apply to the World Bank for special credit lines to finance promising projects. This would mean that could proceed during the investment cycle and not at the end. Otherwise, the small traces of economic activity are likely to evaporate.

c) Initiate specific research and analysis to forecast the scope for revitalising export-oriented economic activities and devise ways of restoring the foreign trade balance.

d) Legalise the informal sector in two ways. Firstly, by planning a new layout for the urban areas where it currently takes place. Secondly, by introducing tax benefits to encourage traders in the informal sector to become legitimate traders and pay their taxes.

e) Start building large infrastructure projects such as roads, railways and waterways that fit into the pan-European network and link to future traffic arteries in south-eastern Europe.

f) Start developing a capital market whereby the savings of the people both at home and abroad can be invested in the country. In this way, foreign capital would be buttressed by our resources.

g) Complete the transformation of banks into viable units for handling all financial activities and close the Institution for Payment Transfer.

h) Develop a system to support small businesses through regional and local communities; also establish business parks and think-tanks as part of a pan-European network.

The labour market in the country operates as ten independent markets in the Federation with a separate market in the Republika Srpka and one to be created in the Brčko District. Their closeness in local frames and range of discriminations can only be solved simultaneously by legislation and institutions offering legal employment. Within the context of measures either institutional or those taken by the Ministerial Council and State Government and applying International Labour Organisation conventions, standard classifications and European experiences in the tripartite management of labour market institutions, we must have:

a) legislation for the foundation of a common labour market in Bosnia and Herzegovina. This should define "service in employment" as an institution answerable to three authorities and based on international conventions. The institution will insure people in the case of unemployment, help them find a job and transfer responsibility for the social care of people and other forms of social security to the appropriate entity ministries and Brčko district. This process has started under the leadership of the Office of the High Representative.

44 Cited from *Zavod za zapošljavanje BiH: Razvoj tržišta rada u BiH*, pp. 27-32, Sarajevo 2001.

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This law should ensure that citizens of Bosnia and Herzegovina whether in this country or abroad enjoy the same rights on employment and unemployment benefits - loss of work, getting a job, insurance and so on. It should also set up a system for training adults in special centres, existing education institutions or by distance learning; the aim being to keep those unemployed updated on information and the technology required for employment.

b) employment legislation in the entities for the closer regulation of organisations to maximise efficiency. While it is important to separate active from passive measures the Public Employment Service measures should include the 25 measures currently applied in the European labour market. This law should also regulate measures to support the disabled and related social groups.

c) promote an active employment programme throughout Bosnia and Herzegovina. This would have to be financed by a special budget as the set rate for insurance against unemployment would not even cover a tenth of the costs.

The above listed measures and those applied in the Employment Services are likely to succeed only if:

a) insurance contributions for unemployment are not reduced;

b) resources earmarked for insurance are targeted and additional sources found for funds to solve the unemployment problem;

c) the first stage of the information system is networked with the European labour market. The second stage should offer useful market information - trends in development and employment, information about occupations, education forms and systems, the "talent bank" and so on - to all who are interested.

In the context of active steps to employment, the Employment Office should offer these basic support measures:

a) More job opportunities in existing public and/or private sectors;

b) Assistance with the launch of small businesses and those opting for self-employment;

c) Additional training and retraining;

d) Assistance for labour mobility;

e) Maintenance of employment at current level;

f) Re-capitalisation of social rights.

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